

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 8266  
ORDER NO. 9714

IN THE MATTER OF A HEARING CALLED ON  
A MOTION OF THE COMMISSION TO  
CONSIDER THE APPLICATION OF JOLETTE  
OIL (USA), LLC FOR AN ORDER EXTENDING  
THE FIELD BOUNDARIES AND AMENDING  
THE FIELD RULES FOR THE SADLER-  
BAKKEN POOL SO AS TO CREATE A 1280-  
ACRE SPACING UNIT COMPRISED OF ALL OF  
SECTION 16 AND ALL OF SECTION 21,  
T.161N., R.95W., DIVIDE COUNTY, NORTH  
DAKOTA, AUTHORIZING THE DRILLING OF A  
HORIZONTAL WELL WITHIN SAID SPACING  
UNIT NOT LESS THAN 660 FEET TO THE  
BOUNDARY OF SAID SPACING UNIT AND  
PROVIDING SUCH FURTHER AND  
ADDITIONAL RELIEF AS THE COMMISSION  
DEEMS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 23rd day of June, 2004.
- (2) The lands described in this application are in error. A corrected application was filed and heard under Case No. 8269.
- (3) Counsel for the applicant requests that this case be dismissed without prejudice.

IT IS THEREFORE ORDERED:

- (1) This case is dismissed without prejudice.

Dated this 15th day of July, 2004.

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN5729

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Donna Bauer, being duly sworn upon oath, depose and say: That on the 16th of July, 2004 enclosed in separate envelopes true and correct copies of the attached Order No. 9714 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 8266 :

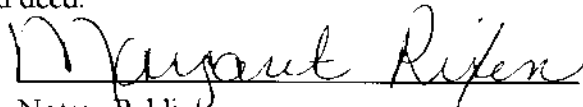
John Morrison  
Fleck, Mather & Strutz Ltd.  
P. O. Box 2798  
Bismarck, ND 58502

Lawrence Bender  
Pearce & Durick  
P. O. Box 400  
Bismarck, ND 58502



Donna Bauer  
Oil & Gas Division

On this 16th day of July 2004, before me personally appeared Donna Bauer to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.



Notary Public  
State of ND, County of Burleigh  
My Commission expires 9-21-2005



Case B266  
Case 8270



WILLIAM R. PEARCE 1910-1978  
WILLIAM P. PEARCE  
PATRICK W. DURICK  
B. TIMOTHY DURICK  
GARY R. THUNE •  
DAVID E. REICH  
JEROME C. KETTLESON  
LARRY L. BOSCHEE •  
LAWRENCE BENDER, P.C. •  
JONATHAN P. SANSTEAD

ATTORNEYS AT LAW  
314 EAST THAYER AVENUE  
P.O. BOX 400  
BISMARCK, NORTH DAKOTA 58502

TELEPHONE (701) 273-2890  
FAX (701) 273-7865  
E-MAIL: law.office@pearceandurick.com

OF COUNSEL  
HARRY J. PEARCE

June 1, 2004

**HAND DELIVERED**

Mr. Bruce Hicks  
Assistant Director  
North Dakota Industrial Commission  
Oil and Gas Division  
600 East Boulevard  
Bismarck, North Dakota 58505-0310

**APPLICATION OF JOLETTE OIL (USA),  
LLC  
SECTIONS 16 AND 21, TOWNSHIP 160  
NORTH, RANGE 95 WEST, DIVIDE  
COUNTY, NORTH DAKOTA**

Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF JOLETTE OIL (USA), LLC as described above.

Please accept this letter as Jolette Oil (USA), LLC's request to withdraw its application previously filed on March 24, 2004 regarding the same location and replace the same with the enclosed.

Our apologies for any confusion or inconvenience this may cause.

Should you have any questions, please advise.

Sincerely,

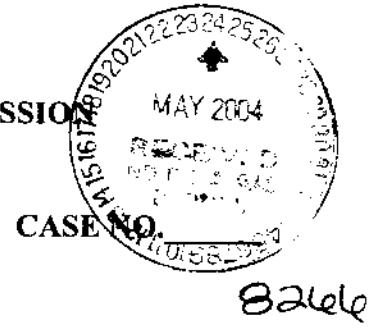
LAWRENCE BENDER

LB/leo

Enclosure

- cc: Ms. Karlene Fine - (w/enc.)
- Mr. Lynn Helms - (w/enc.)
- Mr. Charles Carvell - (w/enc.)
- Mr. Jim Canon - (w/enc.)

BEFORE THE NORTH DAKOTA INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA



IN THE MATTER OF THE APPLICATION OF JOLETTE OIL (USA), LLC FOR AN ORDER OF THE COMMISSION EXTENDING THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL SO AS TO CREATE A 1280-ACRE SPACING UNIT COMPRISED OF ALL OF SECTION 16 AND ALL OF SECTION 21, TOWNSHIP 160 NORTH, RANGE 95 WEST, DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF A HORIZONTAL WELL WITHIN SAID SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF SAID SPACING UNIT AND PROVIDING SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

APPLICATION OF JOLETTE OIL (USA), LLC

Jolette Oil (USA), LLC ("Jolette") for its application to the North Dakota Industrial Commission ("Commission"), respectfully states as follows:

1.

That Jolette is the owner of an interest in the oil and gas leasehold estate in portions of Sections 16 and 21, Township 160 North, Range 95 West, Divide County, North Dakota ("Sections 16 and 21").

2.

That the Sections 16 and 21 are in or adjacent to the field boundaries for the Sadler-Bakken Pool.

3.

That three separate and distinct zones of spacing have been established for the drilling of both vertical and horizontal wells in the Sadler-Bakken Pool.

4.

That Jollette desires to utilize the horizontal drilling technique to further develop the Sadler-Bakken Pool underlying the Sections 16 and 21.

5.

That it is the opinion of Jollette that use of the horizontal drilling technique to further develop the Sadler-Bakken Pool underlying the Sections 16 and 21 will increase the ultimate recovery of the reservoir.

6.

That pursuant to N.D.C.C. §38-08-07 the Commission is empowered to divide any pool into separate zones and to modify its previous spacing order when necessary to prevent waste, avoid the drilling of unnecessary wells or to protect correlative rights.

7.

That in order to prevent waste, to avoid the drilling of unnecessary wells and to protect correlative rights, the Sections 16 and 21 should be established as a 1280-acre spacing unit for the Sadler-Bakken Pool.

8.

That Jollette therefore requests an order of the Commission extending the field boundaries and amending the field rules for the Sadler-Bakken Pool so as to create a 1280-acre spacing unit comprised of all of Section 16 and all of Section 21, Township 160 North, Range 95 West, Divide County, North Dakota, authorizing the drilling of a horizontal well within said spacing unit not less than 660 feet to the boundary of said spacing unit and providing such further and additional relief as the Commission deems appropriate.

**WHEREFORE**, Jollette requests the following:

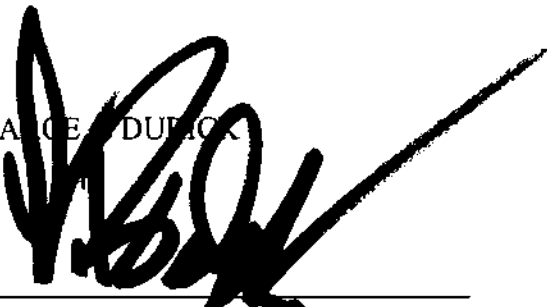
(a) That this matter be set for hearing on June 23, 2004 and thereafter the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate; and

(b) That pursuant to N.D. Admin. Code § 43-02-03-88.2, Jolette's witnesses in this matter be allowed to participate by telephonic means.

DATED this 24th day of May, 2004.

PEACE DUBOIS

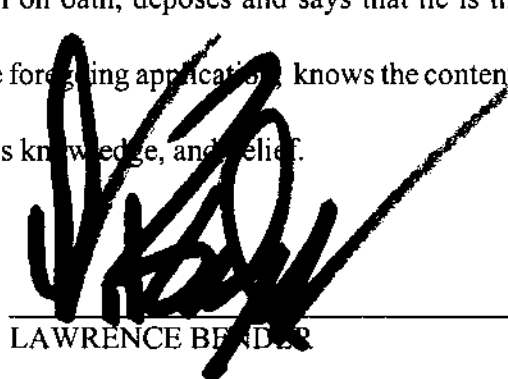
By



LAWRENCE BENDER  
Attorneys for Applicant,  
Jolette Oil (USA), LLC  
314 E. Thayer Avenue  
P. O. Box 400  
Bismarck, ND 58502-0400  
(701) 223-2890

STATE OF NORTH DAKOTA )  
  ) ss.  
COUNTY OF BURLEIGH      )


LAWRENCE BENDER, being first duly sworn on oath, deposes and says that he is the attorney for the applicant named herein, that he has read the foregoing application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, and belief.



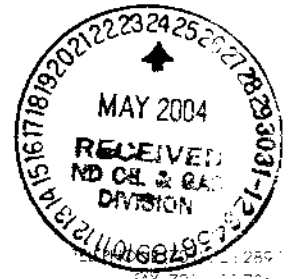
LAWRENCE BENDER

Subscribed and sworn to before me this 24th day of May, 2004.

LYNETTE ENTZI-ODDEN  
Notary Public, State of North Dakota  
My Commission Expires JUNE 26, 2005



Notary Public  
Burleigh County, North Dakota  
My Commission Expires:



WILLIAM R. PEARCE 1910-1975  
 WILLIAM P. PEARCE  
 PATRICK W. DURICK  
 B. TIMOTHY DURICK  
 GARY R. THUNE •  
 DAVID E. REICH  
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PHONE: 701-259-1289  
 FAX: 701-259-1178  
 E-MAIL: law.office@pearce.com  
 OF COUNSEL  
 HARRY PEARCE

May 18, 2004

**HAND DELIVERED**

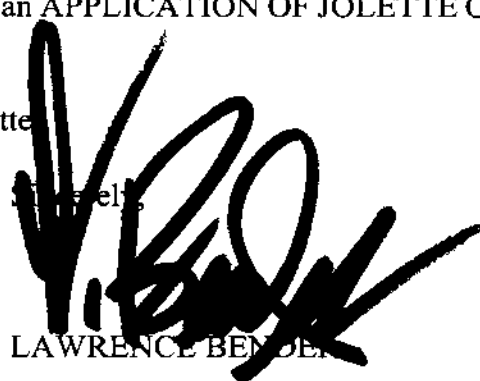
Mr. Bruce Hicks  
 Assistant Director  
 North Dakota Industrial Commission  
 Oil and Gas Division  
 600 East Boulevard  
 Bismarck, North Dakota 58505-0310

**APPLICATION OF JOLETTE OIL (USA),  
 LLC  
 SECTIONS 16 AND 21, TOWNSHIP 160  
 NORTH, RANGE 95 WEST, DIVIDE  
 COUNTY, NORTH DAKOTA**

Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF JOLETTE OIL (USA), LLC as described above.

Thank you for your attention to this matter.

  
 LAWRENCE BENDER

LB/leo  
 Enclosure

cc: Ms. Karlene Fine - (w/enc.)  
 Mr. Lynn Helms - (w/enc.)  
 Mr. Charles Carvell - (w/enc.)  
 Mr. Jim Canon - (w/enc.)



TIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by June 9, 2004.

**STATE OF NORTH DAKOTA TO:**

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public: Case No. 8258: On a motion of the Commission to consider the application of Amerasia Hess Corporation for an order vacating the spacing orders for the Banks-Red River Pool, located in McKenzie County, North Dakota, or alternatively amending such orders so as to allow gas to be produced and flared from the Banks-Red River Pool for a period of up to sixty days, or for such other and further relief as the Commission deems appropriate. Case No. 8259: On a motion of the Commission to consider the application of Merit Energy Company for an order pursuant to Section 43-02-03-88.1 of the North Dakota Administrative Code authorizing the commingling in the well bore of fluids produced from the Bowser Butte-Birdbear and Duperow Pools in the following wells: ND State #5-16, SE/4 NW/4 of Section 16; Haugen Coates #1, NW/4 NW/4 of Section 4; Federal #12-15, SW/4 NW/4 of Section 15; J.V. Law #2, SW/4 SE/4 of Section 9; Haugen #3-9, SE/4 NW/4 of Section 9; Sheep Federal #1A, NW/4 SW/4 of Section 9; and the J.V. Law #1, SE/4 SW/4 of Section 9, all located in T.148N., R.102W., McKenzie County, North Dakota. Case No. 8260: On a motion of the Commission to consider the application of Nance Petroleum Corporation for an order amending the field rules for the Cedar Hills-Red River "B" Pool so as to include Section 22, T.131N., R.104W., Bowman County, North Dakota, in Zone 1 of the Cedar Hills-Red River "B" Pool, to designate the N/2 and S/2 of said Section 22 as 320-acre spacing units for the Cedar Hills-Red River "B" Pool, and to allow a horizontal well drilled within the S/2 of said Section 22 to be located no closer than 500 feet to the boundary of the S/2 of said Section 22, or for such other and further relief as the Commission deems appropriate. Case No. 8261: On a motion of the Commission to consider the application of Nance Petroleum Corporation for an order amending the field rules for the Cedar Hills-Red River "B" Pool so as to allow a horizontal well drilled in Section 26, T.131N., R.104W., Bowman County, North Dakota, to be located no closer than 500 feet to the boundary of said Section 26, or for such other and further relief as the Commission deems appropriate. Case No. 8262: On a motion of the Commission to consider the application of Paul Rankin Inc. for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the conversion to enhanced recovery into the Glass Bluff-Madison Unit, of the following wells: Dobias Monson Well #1 well, located in the NE/4 NW/4 of Section 32, T.152N., R.103W., and the Q.C. Connor #1-2...3B well, located in the NE/4 SE/4 of Section 2, T.131N., R.103W., both in Glass Bluff Field, McKenzie County, North Dakota, pursuant to NDAC Chapter 43-02-05 and providing such other and further relief as the Commission deems appropriate. Case No. 8263: On a motion of the Commission to consider the application of Burlington Resources Oil & Gas Company LP for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the conversion to enhanced recovery into the Cedar Hills South-Red River "B" Unit, of the following wells: CHSU #43-3NH 16 well, located in the NE/4 SE/4 of Section 5, T.131N., R.106W., CHSU Fed-Larkin #14-17NHR 15 well, located in the SW/4 SW/4 of Section 17, T.131N., R.105W., and the CHSU ST-Sunny Slope #14-

36NH 16 well, located in the SW/4 SW/4 of Section 36, T.131N., R.106W., all in Cedar Hills Field, Bowman County, North Dakota, pursuant to NDAC Chapter 43-02-05 and providing such other and further relief as the Commission deems appropriate. Case No. 8264: (Continued) On a motion of the Commission to consider the temporary or proper spacing for the development of an oil and/or gas pool discovered by the Whiting Oil and Gas Corporation #11-20 Egly well, located in the NW/4 NW/4 of Section 20, T.142N., R.100W., Billings County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8264: On a motion of the Commission to consider the application of Ansbro Petroleum Company for an order creating a 320-acre drilling unit comprised of the N/2 of Section 28, T.155N., R.98W., Williams County, North Dakota, authorizing the drilling of a horizontal well therein at a location not less than 660 feet from the boundary of the proposed drilling unit as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code, and such other and further relief as the Commission deems appropriate. Case No. 8265: On a motion of the Commission to consider the application of Jolezza Oil (USA), LLC for an order extending the field boundaries and amending the field rules for the Sadler-Balden Pool so as to create a 1280-acre spacing unit comprised of all of Section 6 and all of Section 7, T.161N., R.95W., Divide County, North Dakota, authorizing the drilling of a horizontal well within said spacing unit not less than 660 feet to the boundary of said spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8266: On a motion of the Commission to consider the application of Jolezza Oil (USA), LLC for an order extending the field boundaries and amending the field rules for the Sadler-Balden Pool so as to create a 1280-acre spacing unit comprised of all of Section 16 and all of Section 21, T.161N., R.95W., Divide County, North Dakota, authorizing the drilling of a horizontal well within said spacing unit not less than 660 feet to the boundary of said spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8267: On a motion of the Commission to consider the application of FH Petroleum Corp. for an order extending the field boundaries and amending the field rules for the Cooder Peak-Birdbear Pool so as to create six 1280-acre spacing units comprised of the following described lands: (1) Sections 4 and 9; (2) Sections 5 and 8; (3) Sections 12 and 13; (4) Sections 15 and 22; (5) Sections 16 and 21; and, (6) Sections 23 and 26; all in T.142N., R.103W., Golden Valley County, North Dakota, authorizing the drilling of a horizontal well within each of the six (6) above-referenced 1280-acre spacing units not less than 660 feet to the boundary of the spacing unit and providing such further and additional relief as the Commission deems appropriate.

Signed by:  
John Hoeven, Governor  
Chairman, ND Industrial Commission  
6/3 - 190428

**NOTICE OF PUBLICATION  
NORTH DAKOTA  
INDUSTRIAL COMMISSION  
BISMARCK, NORTH DAKOTA**

The State of North Dakota by its Industrial Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following public hearing to be held at 9:00 a.m. on June 23, 2004, North Dakota Oil and Gas Division Office, 1016 East Calgary Avenue, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive testimony and exhibits.  
**ATTENTION PERSONS WITH DISABILI-**

**Deadlines**

<b>PUBLISH BY</b> .....	<b>RECEIVE BY</b>
Mon.....	Thurs. 12 Noon
Tues.....	Fri. 12 Noon
Wed.....	Mon. Noon
Thurs.....	Mon. 5PM
Friday.....	Tues. 5PM
Sat.....	Wed. 12 Noon