BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 8623 ORDER NO. 10123

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN **ORDER EXTENDING** THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL AND/OR DOLPHIN-BAKKEN POOL SO AS TO CREATE TWO 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 15 AND 22 AND SECTIONS 16 AND 21, T.161N., R.95W., DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL WITHIN EACH SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF EACH 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 27th day of July, 2005.
- (2) Continental Resources, Inc. (Continental) provided telephonic testimony in this matter, pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.2. Telephonic Communication Affidavits were received on August 5, 2005, therefore, such testimony may be considered evidence.
- (3) Continental made application to the Commission for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool and/or Dolphin-Bakken Pool so as to create two 1280-acre spacing units comprised of Sections 15 and 22 and Sections 16 and 21, Township 161 North, Range 95 West, Divide County, North Dakota (Sections 15, 16, 21, and 22), authorizing the drilling of one horizontal well within each spacing unit not less than 660 feet

to the boundary of each spacing unit and providing such further and additional relief as the Commission deems appropriate.

- (4) Order No. 9579 entered in Case No. 8152 established proper spacing for the development of Zone I in the Sadler-Bakken Pool at one well per 160 acres and Zone II at one horizontal well per 640 acres.
- (5) Order No. 7710 entered in Case No. 6613 established proper spacing for the development of the Dolphin-Bakken Pool at one well per 160 acres.
- (6) Section 16 and the N/2 of Section 21 are within the Sadler Field. Sections 15 and 22 and the SE/4 of Section 21 are adjacent to the Sadler Field and within the buffer zone of Zone I in the Sadler-Bakken Pool. The SW/4 of Section 21 is within the Dolphin Field. No well has produced from any pool in the SW/4 of Section 21.
- (7) Continental presented evidence that the Sadler-Bakken Pool underlies Sections 15 and 22 and the S/2 of section 21; therefore, the boundary of the Sadler Field should be extended to include such lands.
- (8) The Camp Davis State #1-16 well, located 2080 feet from the north line and 560 feet from the west line of Section 16, is currently completed vertically in the Sadler-Bakken Pool on a spacing unit described as the NW/4 of Section 16. There are no other wells currently permitted to or producing from the Sadler-Bakken Pool in Sections 15, 16, 21, and 22.
- Continental plans to develop the Bakken Pool under Sections 15 and 22 by drilling a dual-lateral horizontal well from a surface location approximately 150 feet from the north line and 300 feet from the east line of Section 22. The casing will be set horizontally in the Bakken Pool west of the surface location at a legal location and the first lateral will then be drilled to a bottom hole location approximately 660 feet from the north line and 2340 feet from the west line of Section 15. The second lateral will be drilled by cutting a window in the casing within the Bakken Pool at a legal location and drilling horizontally within the Bakken Pool to a bottom hole location approximately 660 feet from the south line and 2340 feet from the west line of Section 22. Continental plans to develop the Bakken Pool under Sections 16 and 21 by drilling a dual-lateral horizontal well from a surface location approximately 150 feet from the south line and 300 feet from the east line of Section 16. The casing will be set horizontally in the Bakken Pool west of the surface location at a legal location and the first lateral will then be drilled to a bottom hole location approximately 660 feet from the south line and 2340 feet from the west line of Section 21. The second lateral will be drilled by cutting a window in the casing within the Bakken Pool at a legal location and drilling horizontally within the Bakken Pool to a bottom hole location approximately 660 feet from the north line and 2340 feet from the west line of Section 16. Utilization of horizontal drilling technology in this manner may result in the wells being completed at a location or locations not in compliance with current applicable spacing orders for the Sadler-Bakken Pool.
- (10) Evidence and testimony presented to the Commission indicates that the proposed horizontal wells will produce oil that might otherwise not be produced.

- (11) Allowing the Camp Davis State #1-16 well to continue to produce on its existing spacing unit, described as the NW/4 of Section 16, will provide maximum ultimate recovery from the pool in a manner that will protect correlative rights.
- (12) Flexibility with respect to spacing unit size and the location of wells in the Sadler-Bakken Pool is essential to efficiently produce as much recoverable oil and gas as economically possible.
- (13) Pursuant to Section 38-08-07 of the North Dakota Century Code, spacing units must be of uniform size and shape for the entire pool, except when found necessary to prevent waste, avoid the drilling of unnecessary wells, or to protect correlative rights, the Commission is authorized to divide any pool into zones and establish spacing units for each zone, which units may differ in size and shape from those established in any other zone.
- (14) Zones of different spacing within the Sadler-Bakken Pool will allow the flexibility needed for utilization of horizontal drilling.
- (15) Granting maximum flexibility in spacing unit size and in locating and drilling horizontal wells will result in economic and efficient development of the oil and gas resources in a manner that prevents waste and protects correlative rights.
- (16) If Continental's activities are successful, greater ultimate recovery of oil and gas from the pool will be achieved which will prevent waste and the drilling of unnecessary wells in a manner which will not have a detrimental effect on correlative rights.
 - (17) There were no objections to this application.
- (18) Approval of this application will prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) Sections 15 and 22 and Sections 16 and 21, Township 161 North, Range 95 West, Divide County, North Dakota, are hereby established as 1280-acre spacing units for the exclusive purpose of drilling a horizontal well within each said spacing unit within the Sadler-Bakken Pool and Zone III is hereby created to include said spacing units. Existing and future vertical and directional wells drilled within the spacing units herein established shall conform to the applicable spacing requirements providing for the orderly development of Zone I in the Sadler-Bakken Pool.
- (2) The Camp Davis State #1-16 well (File No. 13578), currently completed in the Sadler-Bakken Pool, shall be allowed to continue to produce and the spacing unit shall remain the 160-acre spacing unit upon which it is currently completed (NW/4 of Section 16).

- (3) The Director is hereby authorized to exercise continuing jurisdiction in this matter to determine whether a horizontal well proposed or drilled upon the 1280-acre spacing units herein established has justified the creation of such units, to require amendments or modifications to the permit to drill for such horizontal well, and to deny a permit to drill in the event a well is proposed to be drilled in a manner inconsistent with the evidence that justified such spacing unit.
- (4) The Dolphin Field is hereby redefined as the following described tracts of land in Divide County, North Dakota:

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM

ALL OF SECTIONS 29, 30 AND 32, THE S/2 OF SECTIONS 19 AND 20, THE W/2 OF SECTION 28, AND THE NW/4 AND E/2 OF SECTION 31,

TOWNSHIP 160 NORTH, RANGE 96 WEST, 5TH PM THE NW/4 OF SECTION 1 AND THE N/2 OF SECTION 2,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of the boundaries of the field as set forth above, provided further that such extensions of the field boundaries shall include only sufficient acreage to form a spacing unit for such wells, and any intervening lands.

(5) The Sadler Field is hereby redefined as the following described tracts of land in Divide County, North Dakota:

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM

ALL OF SECTIONS 15, 16, 17, 21, AND 22, THE SW/4 OF SECTION 4, THE SE/4 OF SECTION 5, THE S/2 OF SECTION 8, THE S/2 AND NW/4 OF SECTION 9, AND THE N/2 OF SECTION 20,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of the boundaries of the field as set forth above, provided further that such extensions of the field boundaries shall include only sufficient acreage to form a spacing unit for such wells, and any intervening lands.

(6) The Sadler-Bakken Pool is hereby redefined as the following described tracts of land in Divide County, North Dakota:

ZONE I

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM

ALL OF SECTIONS 15, 16, 17, 21, AND 22, THE SW/4 OF SECTION 4, THE SE/4 OF SECTION 5, THE S/2 OF SECTION 8, THE S/2 AND NW/4 OF SECTION 9, AND THE N/2 OF SECTION 20,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of the boundaries of the field

as set forth above, provided further that such extensions of the field boundaries shall include only sufficient acreage to form a spacing unit for such wells, and any intervening lands.

ZONE II (Exclusively for horizontal wells)

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM ALL OF SECTION 17.

ZONE III (Exclusively for horizontal wells)

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM ALL OF SECTIONS 15, 16, 21 AND 22.

- (7) The Sadler-Bakken Pool is hereby redefined as that accumulation of oil and gas found in the interval from below the base of the Lodgepole Formation to above the top of the Three Forks Formation within the limits of the field as set forth above.
- (8) The proper spacing for the development of Zone I in the Sadler-Bakken Pool is hereby set at one well per 160 acres.
- (9) All wells hereafter drilled in Zone I in the Sadler-Bakken Pool shall be located not less than 500 feet from a spacing unit boundary. Wells presently permitted to or producing from the pool that do not conform to this spacing pattern shall be considered exceptions.
- (10) Spacing units in Zone I in the Sadler-Bakken Pool shall consist of a governmental quarter section or governmental lots corresponding thereto.
- (11) Provisions established herein for Zone II in the Sadler-Bakken Pool are for the exclusive purpose of drilling horizontal wells. Existing and future vertical and directional wells drilled within the area defined as Zone II in paragraph (6) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.
- (12) The proper spacing for the development of Zone II in the Sadler-Bakken Pool is hereby set at one horizontal well per 640 acres.
- (13) All portions of the well bore not isolated by cement of any horizontal well hereafter drilled in Zone II in the Sadler-Bakken Pool shall be no closer than 660 feet to the boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when determined necessary by the Director.
- (14) Spacing units in Zone II in the Sadler-Bakken Pool shall consist of a governmental section or governmental lots corresponding thereto.
- (15) Zone II in the Sadler-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

- (16) Provisions established herein for Zone III in the Sadler-Bakken Pool are for the exclusive purpose of drilling horizontal wells. Existing and future vertical and directional wells drilled within the area defined as Zone III in paragraph (6) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.
- (17) The proper spacing for the development of Zone III in the Sadler-Bakken Pool is hereby set at one horizontal well per 1280 acres.
- (18) All portions of the well bore not isolated by cement of any horizontal well hereafter drilled in Zone III in the Sadler-Bakken Pool shall be no closer than 660 feet to the boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when determined necessary by the Director.
- (19) Spacing units in Zone III in the Sadler-Bakken Pool shall consist of two adjacent governmental sections or governmental lots corresponding thereto.
- (20) Zone III in the Sadler-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.
- (21) The operator of any horizontally drilled well in the Sadler-Bakken Pool shall cause to be made a directional survey of the well bore. The directional survey contractor shall file a certified survey with the Commission within 30 days after completion of the well in accordance with NDAC Section 43-02-03-25. The survey shall be of sufficient quality to enable the Commission to determine the entire completion location of the well and its terminus.
- (22) The Director is hereby authorized to exercise continuing jurisdiction to determine whether any well proposed or drilled upon any spacing unit herein established has justified the creation of such unit, to require amendments or modifications to the permit to drill for such well, and to deny a permit to drill in the event a well is proposed to be drilled in a manner inconsistent with the evidence that justified the spacing requirements in the Sadler-Bakken Pool.
- (23) The Commission shall have continuing jurisdiction in this matter and specifically reserves the authority, upon its own motion or the motion of any interested party, to: (1) review the spacing requirements for the Sadler-Bakken Pool; (2) determine whether the separate zones of spacing established herein are warranted; and, (3) make such further amendments or modifications to the spacing requirements for the Sadler-Bakken Pool as the Commission deems appropriate.
- (24) No well shall be hereafter drilled or produced in the Sadler-Bakken Pool, as defined herein, except in conformity with the regulations above without special order of the Commission after due notice and hearing.
- (25) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Sadler-Bakken Pool:

- (a) The surface casing shall consist of new or reconditioned pipe that has been previously tested to 1000 pounds per square inch. The casing shall be set and cemented at a point not less than 50 feet below the base of the Fox Hills Formation. Sufficient cement shall be used to fill the annular space outside the pipe to the surface of the ground or the bottom of the cellar, and sufficient scratchers and centralizers shall be used to assure a good cement job. Cement shall be allowed to stand a minimum of 12 hours before drilling the plug or initiating tests. The quality of cement shall conform to the standards provided under NDAC Section 43-02-03-21;
- (b) The producing or oil string shall consist of new or reconditioned pipe that has been previously tested to 2000 pounds per square inch. Casing shall be set and cemented at a point not higher than the top of the producing formation, or at a point approved by the Director. Sufficient cement shall be used and applied in such manner to protect and isolate all formations containing oil and/or gas, protect the pipe through salt sections encountered, and to isolate the Dakota-Lakota Series. The cement shall be allowed to stand a minimum of 15 hours before drilling the plug or initiating tests. The quality of cement shall conform to the standards provided under NDAC Section 43-02-03-21. After cementing, the casing shall be tested by application of pump pressure of at least 2000 pounds per square inch. If, at the end of 30 minutes this pressure shall have dropped 150 pounds per square inch or more, the casing shall be repaired. Thereafter, the casing shall again be tested in the same manner. Further work shall not proceed until a satisfactory test has been obtained;
- (c) All well-head fittings and connections shall have a working pressure in excess of that to which they are expected to be subjected; and,
- (d) All wells shall be equipped with tubing; a tubing packer must also be utilized in flowing wells unless a waiver is obtained from the Director after demonstrating the casing will not be subjected to excessive pressure or corrosion; all tubing shall be of sufficient internal diameter to allow the passage of a bottom hole pressure gauge for the purpose of obtaining bottom hole pressure measurements.
- (26) The gas-oil ratio of all wells not connected to a gas gathering system shall be measured annually during the month of May. The reservoir pressure shall be measured within 45 days in all wells hereinafter completed in the Sadler-Bakken Pool. Drill stem test pressures are acceptable for determining reservoir pressure. Pressure measurements shall be made at or adjusted to a subsea datum of 6280 feet after the well has been shut in for a minimum of 48 hours. All gas-oil ratio and reservoir pressure determinations shall be made by methods approved by the Director and reported to the Director within 15 days following the end of the month in which they are determined. The Director is authorized to waive these requirements if the necessity therefor can be demonstrated to his satisfaction. All additional gas-oil ratio and reservoir pressure determinations conducted on any well, but not specifically required herein, shall be reported to the Director within 15 days following the end of the month in which they are determined.

- (27) No saltwater, drilling mud, crude oil, or waste oil shall be stored in pits in this field, except in an emergency, and approved by the Director.
- (28) All wells in the Sadler-Bakken Pool shall be allowed to produce at a maximum efficient rate for a period of 30 days commencing on the first day oil is produced through well-head equipment into tanks from the ultimate producing interval after casing has been run; thereafter, oil production from such wells shall not exceed an average of 100 barrels of oil per day; if and when such wells are connected to a gas gathering and processing facility the foregoing restrictions shall be removed, and the wells shall be allowed to produce at a maximum efficient rate.
- (29) If the flaring of gas produced with crude oil from the Sadler-Bakken Pool causes, or threatens to cause, degradation of ambient air quality, production from the pool shall be further restricted.
- (30) This order shall cover all of the Sadler-Bakken Pool common source of supply of crude oil and/or natural gas as herein defined, and all provisions of the pool shall continue in full force and effect until further order of the Commission or until the last well in the pool has been plugged and abandoned.

Dated this 15th day of August, 2005.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 8612 (CONTINUED) ORDER NO. 10124

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE PROPER SPACING FOR THE DEVELOPMENT OF THE HAYLAND-BAKKEN POOL, DIVIDE COUNTY, NORTH DAKOTA, REDEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 27th day of July, 2005.
- (2) Condor Petroleum, Inc. (Condor), is the operator of the only well completed in the Hayland-Bakken Pool, Divide County, North Dakota.
- (3) Counsel for Condor requests that this case be continued to the regularly scheduled hearing in August, 2005.
 - (4) There were no objections to said request.
 - (5) This case should be continued to the regularly scheduled hearing on August 24, 2005.

IT IS THEREFORE ORDERED:

(1) This case is hereby continued to the regularly scheduled hearing on August 24, 2005.

Dated this 15th day of August, 2005.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Marge Rixen, being duly sworn upon oath, depose and say: That on the <u>18th</u> day of <u>August, 2005</u> enclosed in separate envelopes true and correct copies of the attached Order No. <u>10123</u> 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. 8623:

JOHN MORRISON FLECK MATHER & STRUTZ LTD PO BOX 2798 BISMARCK ND 58502

LAWRENCE BENDER
PEARCE & DURICK
PO BOX 400
BISMARCK ND 58502-0400

MIKE HUSBAND CONTINENTAL RESOURCES INC PO BOX 1032 ENID OK 73702-1032 NEIL OLESEN CONTINENTAL RESOURCES INC PO BOX 1032 ENID OK 73702-1032

JIM CANON CONTINENTAL RESOURCES INC PO BOX 1032 ENID OK 73702-1032

Marge Rixen

Oil & Gas Division

On this <u>18th</u> day of <u>August, 2005</u> before me personally appeared Marge Rixen 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 North Dakota, County of Burleigh

LINDA K. JOHNSON Notary Public State of North Dakota My Commission Expires March 31, 2011

OF THE STATE OF NORTH DAKOTA

CASE NO. 8623

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE COMMISSION EXTENDING THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL AND DOLPHIN-BAKKEN POOL SO AS TO CREATE TWO 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 15 AND 22 AND SECTIONS 16 AND 21, TOWNSHIP 161 NORTH, RANGE 95 WEST, DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL WITHIN EACH SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF EACH SPACING UNIT AND PROVIDING SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

TELEPHONIC COMMUNICATION AFFIDAVIT

Jim Canon being first duly sworn deposes and states as follows: That on July 27, 2005, I testified under oath before the North Dakota Industrial Commission in Case Number 8623. My testimony was presented by telephone from (580) 233-8955, at the offices of and on behalf of Continental Resources, Inc.,

| 302 N. Independence Avenue, I | Enid, Oklaho | ma 73702-1032. Liu Canon | |
|-------------------------------|--------------|-----------------------------|---|
| | | Jim Canon | _ |
| STATE OF OKLAHOMA |))ss: | | |
| COUNTY OF GARFIELD |) | | |

On August 2005, Jim Canon of Continental Resources, Inc., known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.

Notary Public
County of Garfield, State of Oklahoma
My Commission Expires: Apr. (15, 2008)
Commission b. 00003580

OKLAHOMA NOTARY PUBLIC
LISA
ALWERT
Garfield Co.

OF THE STATE OF NORTH DAKOTA

CASE NO. 8623

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE COMMISSION EXTENDING THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL AND DOLPHIN-BAKKEN POOL SO AS TO CREATE TWO 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 15 AND 22 AND SECTIONS 16 AND 21, TOWNSHIP 161 NORTH, RANGE 95 WEST, DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL WITHIN EACH SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF EACH SPACING UNIT AND PROVIDING SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

TELEPHONIC COMMUNICATION AFFIDAVIT

Mike Husband being first duly sworn deposes and states as follows: That on July 27, 2005, I testified under oath before the North Dakota Industrial Commission in Case Number 8623. My testimony was presented by telephone from (580) 233-8955, at the offices of and on behalf of Continental Resources, Inc., 302 N. Independence Avenue, Enid, Oklahoma 73702-1032.

STATE OF OKLAHOMA))ss:
COUNTY OF GARFIELD)

On August 2005, Mike Husband of Continental Resources, Inc., known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.

Notary Public

County of Carfield State of Oklahoma

My Commission Expires:

GIC WOOSSA MOTADY DIRECTO

O'C COMA NOTARY PUBLIC
LIGA
ALWERT
Garfield Co.

OF THE STATE OF NORTH DAKOTA

CASE NO. 8623

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE COMMISSION EXTENDING THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL AND DOLPHIN-BAKKEN POOL SO AS TO CREATE TWO 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 15 AND 22 AND SECTIONS 16 AND 21, TOWNSHIP 161 NORTH. RANGE 95 WEST, DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL WITHIN EACH SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF EACH SPACING UNIT AND PROVIDING SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

COUNTY OF GARFIELD

TELEPHONIC COMMUNICATION AFFIDAVIT

Neil Olesen being first duly sworn deposes and states as follows: That on July 27, 2005, I testified under oath before the North Dakota Industrial Commission in Case Number 8623. My testimony was presented by telephone from (580) 233-8955, at the offices of and on behalf of Continental Resources, Inc., 302 N. Independence Avenue, Enid, Oklahoma 73702-1032.

302 N. Independence Avenue, Enid, Oklahoma 73702-1032.

Neil Olesen

STATE OF OKLAHOMA
)
)ss:

On August, 2005, Neil Olesen of Continental Resources, Inc., known to me to be the person described in and who executed the foregoing instrument personally appeared before me and acknowledged that he executed the same as a free act and deed.

Tunicinis, personally appeared before the and acknowledged

Notary Public
County of Garfield State of Oklahoma
My Commission Expires (15 20)

OKLANCHIA NOTARY PUBLIC
LISA
ALWERT
Garfield Co.



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

ATTORNEYS AT LAW

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



June 27, 2005

HAND DELIVERED

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

RE: APPLICATION OF

CONTINENTAL RESOURCES,

INC.

SECTIONS 15 AND 22 AND

SECTIONS 16 AND 21, TOWNSHIP 161 NORTH, RANGE 95 WEST,

DIVIDE COUNTY, NORTH

DAKOTA

Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF CONTINENTAL RESOURCES, INC. as described above.

As you will note, pursuant to N.D. Admin. Code § 43-02-03-88.2, Continental requests that its witnesses be allowed to participate at the hearing by telephonic means.

Should you have any questions, please adv

LB/leo

Enclosure

c: Ms. Karlene Fine - (w/enc.)

Mr. Lynn Helms - (w/enc.)

Mr. Charles Carvell - (w/enc.)

Mr. Jim Canon - (w/enc.)

OF THE STATE OF NORTH DAKOTA

CASE N

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE COMMISSION EXTENDING THE FIELD BOUNDARIES AND AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL AND DOLPHIN-BAKKEN POOL SO AS TO CREATE TWO 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 15 AND 22 AND SECTIONS 16 AND 21, TOWNSHIP 161 NORTH, RANGE 95 WEST, DIVIDE COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL WITHIN EACH SPACING UNIT NOT LESS THAN 660 FEET TO THE BOUNDARY OF EACH SPACING UNIT AND PROVIDING SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

APPLICATION OF CONTINENTAL RESOURCES, INC.

Continental Resources, Inc. ("Continental") for its application to the North Dakota Industrial Commission ("Commission"), respectfully states as follows:

1.

That Continental owns an interest in the oil and gas leasehold estate in portions of Sections 15 and 22 and Sections 16 and 21, Township 161 North, Range 95 West, Divide County, North Dakota ("Subject Lands").

2.

That the Subject Lands are within the field boundaries for the Sadler-Bakken Pool or the Dolphin-Bakken Pool.

That three (3) separate and distinct zones of spacing have been established by the Commission for the Sadler-Bakken Pool. Spacing for Zone I has been set at one well to 160 acres; spacing in Zone II has been set at two wells per 160 acres, and spacing in Zone III has been set at one horizontal well per 640 acres.

4.

That spacing for the Dolphin-Bakken Pool has been set at one well to 160 acres.

5.

That Continental desires to utilize the horizontal drilling technique to further develop the Sadler-Bakken Pool and Dolphin-Bakken Pool underlying the Subject Lands.

6.

That it is the opinion of Continental that use of the horizontal drilling technique to further develop the Sadler-Bakken Pool and Dolphin-Bakken Pool underlying the Subject Lands will increase the ultimate recovery of the reservoir.

7.

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 orders when necessary to prevent waste, avoid the drilling of unnecessary wells or to protect correlative rights.

8.

That in order to prevent waste, to avoid the drilling of unnecessary wells and to protect correlative rights, two 1280-acre spacing units should be established for the Sadler-Bakken Pool and Dolphin-Bakken Pool for the Subject Lands – one 1280-acre spacing unit comprised of Sections 15 and

22, Township 161 North, Range 95 West; and, one 1280-acre spacing unit comprised of Sections 16 and 21, Township 161 North, Range 95 West, Divide County, North Dakota.

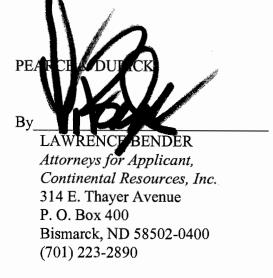
9.

That Continental therefore requests an order of the Commission extending the field boundaries and amending the field rules for the Sadler-Bakken Pool and Dolphin-Bakken Pool so as to create two 1280-acre spacing units comprised of Sections 15 and 22 and Sections 16 and 21, Township 161 North, Range 95 West, Divide County, North Dakota, authorizing the drilling of one horizontal well within each spacing unit not less than 660 feet to the boundary of each spacing unit and providing such further and additional relief as the Commission deems appropriate.

WHEREFORE, Continental requests the following:

- (a) That this matter be set for hearing at the regular July 27, 2005 meeting 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, Continental's witnesses in this matter be allowed to participate by telephonic means.

DATED this 27 day of June, 2005.



| 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 foreign application, knows the contents thereof, and that the same is true to the best of this affiant's kno

Subscribed and sworn to before me this day of June, 2005.

Burleigh County, North Dakota My Commission Expires:





CASE NO. 8622-8623

Application for Temporary Spacing

All of Sections 3 and 10-T159N-R95W Williams County, North Dakota

All of Sections 15 and 22-T161N-R95W All of Sections 16 and 21-T161N-R95W Divide County, North Dakota

Before the

North Dakota Industrial Commissions

July 27, 2005

| | | | , | 16 | 31 | | 32 | 33 | | 34 | 3 | 15 | 36 | | 1 | 32 | 33 | | 34 | 3.7 | - | | | | | | | | | | | - 1- |
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GENERAL LOCATOR MAP



Proposed Temporary Spacing Unit



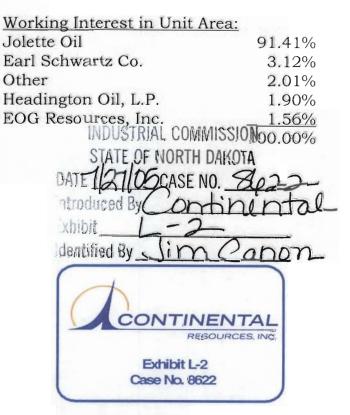
Exhibit L-1 Case No. 8622-8623

Land Plat

Township 159 North, Range 95 West All of Sections 3 & 10 Williams County, North Dakota

| Tract 1 | Tra | ct 3 | | | | | |
|-------------------------|--|--------------------------|--|--|--|--|--|
| | 100% - Jolette Oil | | | | | | |
| 75% - Jolette Oil | Fee 1 | 100% | | | | | |
| 25% - Earl Schwartz Co. | tz Co. | | | | | | |
| | 75% - Jo | | | | | | |
| Fee 100% | 25% - EC | G Resources | | | | | |
| | 3 | | | | | | |
| Tract 2 | Ara | et 5 | | | | | |
| 100% - Jolette Oil | | Jolette Oil | | | | | |
| | 6.8% - Other 5.7% - Headington | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Fee 100% | Fee 100% | | | | | | |
| Tract 6 | Tract 7 | Tract 8 | | | | | |
| 100% - Jolette Oil | 87.5% - Jolette Oil 7.3% - Headington | 100% - Jolette Oi | | | | | |
| | 5.2% - Other | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | Fee 100% | Fee 100% | | | | | |
| | Fee 100% Trac | | | | | | |
| | O Trac | et 9 | | | | | |
| | 87.5% - Jo | et 9 lette Oil her | | | | | |
| | 87.5% - Jo | et 9 lette Oil her | | | | | |
| | 87.5% - Jo | et 9 lette Oil her | | | | | |

Unit Acreage Total - 1,280.35 Acres



Land Plat

Township 161 North, Range 95 West All of Sections 15 & 22 Divide County, North Dakota

| Tract 1 | Tract 2 |
|---|-------------------------------------|
| 100% - Jolette Oil | 100% - Jolette Oil |
| | |
| 15 | Fee 100% |
| | Tract 3 |
| | 90.63% - Jolette Oil |
| | 7.81% - Other 1.56% - Headington |
| | |
| Fee 100% | Fee 100% |
| Tract 4 | Tract 5 |
| 100% - Jolette Oil | 100% - Jolette Oil |
| | |
| | |
| Fee 100% | Fee 100% |
| Tract 6 | Tract 7 |
| 40.50% - Jolette Oil | 75.00% - Jolette Oil |
| 23.44% - Helmerich 9.29% - Dorchester | 25.00% - Other |
| 3.75% - Williston Basin Oil 23.02% - Other | |
| Fee 100% | Fee 100% |

Unit Acreage Total - 1,280.00 Acres

| Working Interest in Unit Area: | |
|----------------------------------|-----------------|
| Jolette Oil | 83.33% |
| Other | 6.92% |
| Helmerich & Payne, Inc. | 2.93% |
| Dorchester Minerals, LP | 1.16% |
| Williston Basin Oil & Title Serv | ice .47% |
| Headington Oil, L.P. | .19% |
| INDUSTRIAL COMMISSION | 100.00% |
| STATE OF NORTH DAKOTA | |
| DATE 127/05 CASE NO. 87 | 23 |
| Introduced By Contine | ntal |
| Exhibit L-2A | |
| Identified By Jim Ca | non |
| CONTINENT | TAL ES, INC. |
| Exhibit L-2A | |
| Case No. 8623 | J |

Land Plat

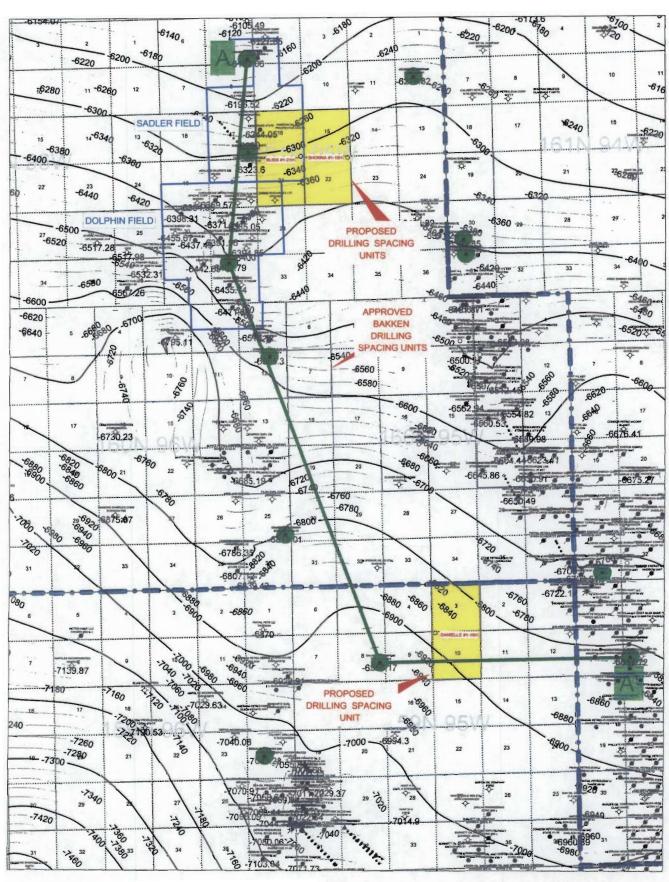
Township 161 North, Range 95 West All of Sections 16 & 21 Divide County, North Dakota

| Tract 1 | Tract 2 |
|---|--|
| 37.5% - Big West 37.5% - Samedan Oil 25.0% - Upton Res. | 100% - Jolette Oil |
| State 100% | State 100% |
| Tract 3 | Tract 4 |
| 100% - Jolette Oil | 100% - Jolette Oil |
| State 100% | State 100% |
| Tract 5 | Tract 6 |
| 94% - Jolette Oil 6% - Other | 50% - Jolette Oil 25% - Headington 25% - Other |
| State - 50% Fee - 50% | Fee 100% |
| Trac | et 7 |
| 100.00% - 3 Fee 1 | |
| Trac | |
| 100.00% - 3 | Jolette Oil |

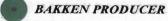
| As a real filtra | 2000 P. C. T. | Water State Li | |
|------------------|---------------|----------------|-------|
| Unit Acreage | Total - 1 | ,280.00 | Acres |

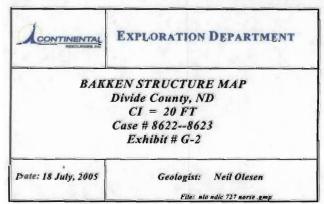
Jolette Oil 80.51% Big West Oil & Gas, Inc. 4.69% Samedan Oil Corporation 4.69% Other 3.86% Headington Oil, L.P. 3.13% Upton Resources U.S.A., Inc. 3.12% 100.00% INDUSTRIAL COMMISSION dentified By CONTINENTAL RESOURCES, INC. Exhibit L-2B Case No. 8623

Working Interest in Unit Area:

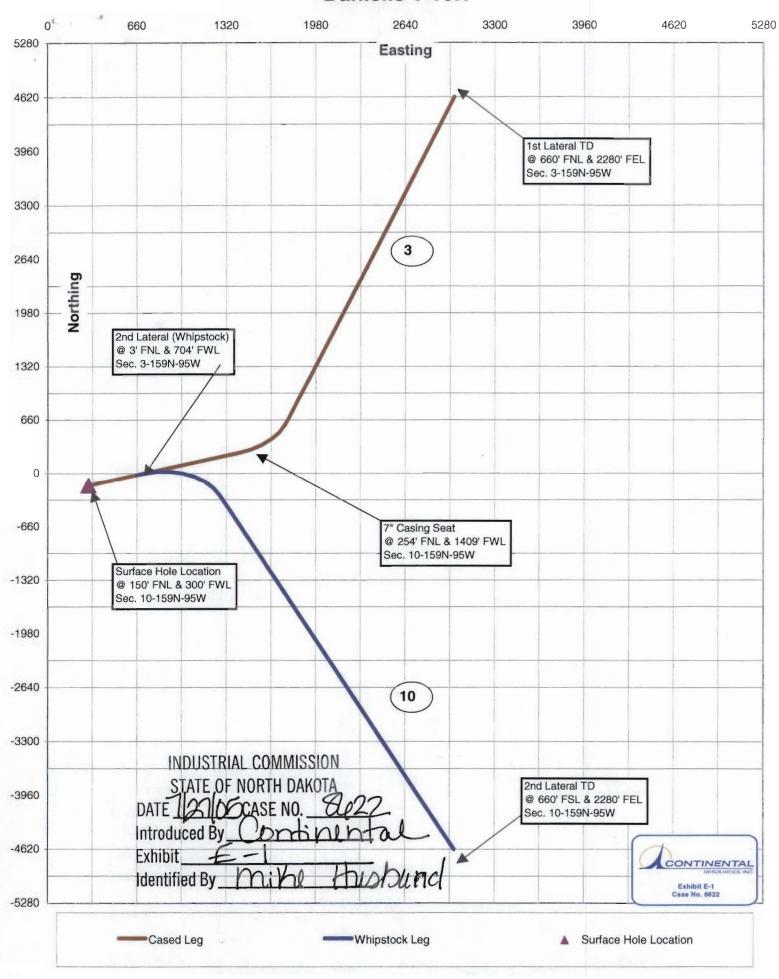




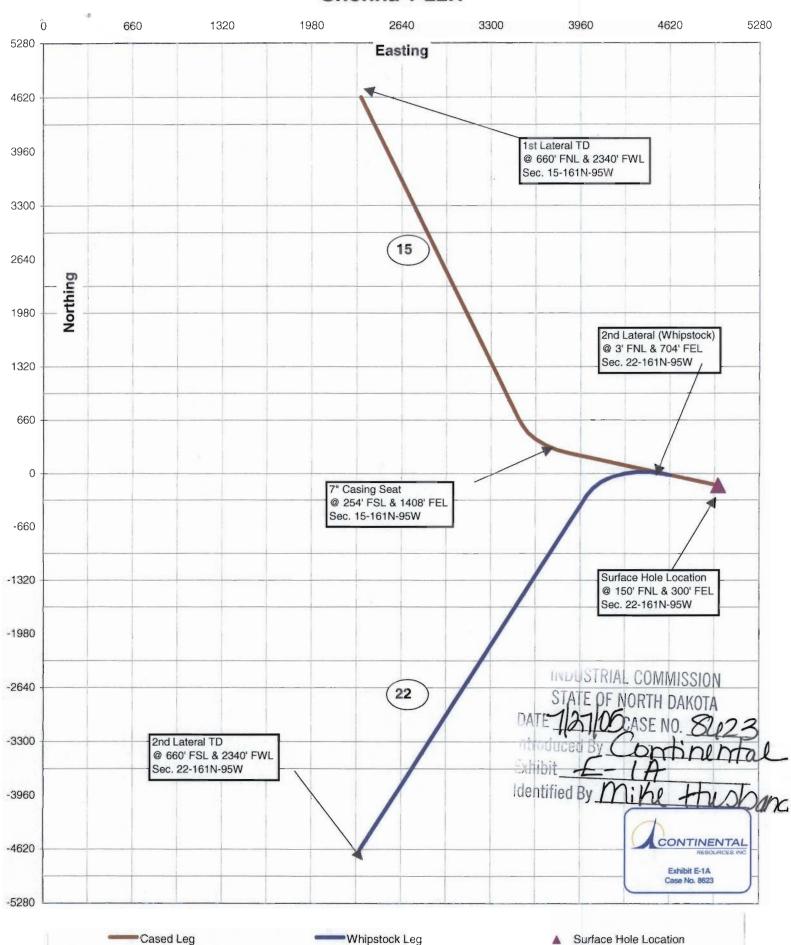




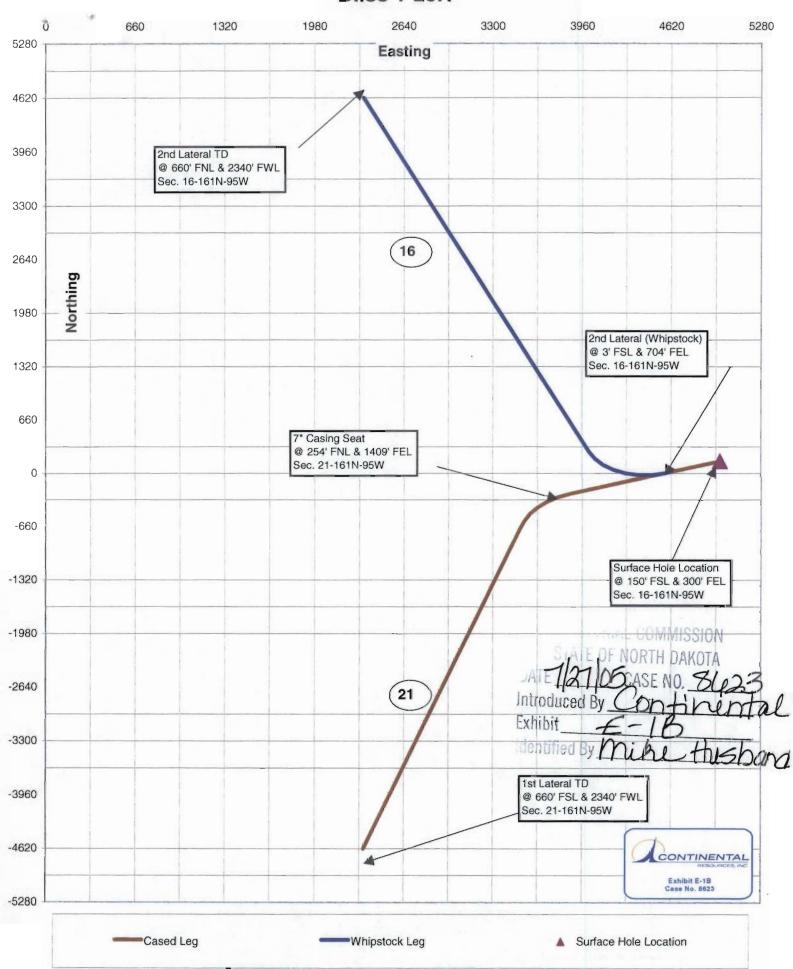
Danielle 1-10H



Shonna 1-22H



Bliss 1-26H



Continental Resources, Inc. Temporary Spacing Divide and Williams County, North Dakota

Typical Reserve and Economics

| Res | ervoir Data | l | Economic Data | | | | | | |
|----------------------|-------------|---------------|-------------------|-------------|------------------|--|--|--|--|
| Reservoir | Bakken | | Investment | \$2,900,000 | (est final cost) | | | | |
| Thickness | 9 | avg thickness | OPEX | \$3,500 | /w/mo | | | | |
| Porosity | 6 | % | Q1 | 300 | BOPD | | | | |
| Oil Saturation | 75 | % | Economic Reserves | 439,190 | STBO | | | | |
| Acreage | 1280 | Acres | | 24,160 | MCF | | | | |
| ВО | 1.2 | Resbbl/STBO | Payout | 2 | years | | | | |
| OOIP | 3,351,500 | STBO | | | | | | | |
| Recovery Factor | 15 | % | | | , | | | | |
| GOR | 55 | SCF/STB | | | | | | | |
| Recoverable Reserves | 502,700 | STBO | | | | | | | |

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE 12105 CASE NO. 8422-8423
Introduced By Continental
Exhibit = E-2
Identified By Mike Husband



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 Wednesday, July 27, 2005, 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 DISABILITIES: 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 July 22, 2005.

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. 8623: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool and/or Dolphin-Bakken Pool so as 10 creation

Dog needs a

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athering wheels.

Section 43-02-03-88.1 authorizing production from the Madison and Bakken Pools to be commingled in the well bore of the applicant's Bakken #1 well, located in the NE/4 NW/4 of Section 32, T.161N., R.95W., Dolphin Field, Divide County, North Dakota, and such other and further relief as the Commission deems appropriate.

Signed by, John Hoeven, Governor Chairman, ND Industrial Commission

(7-6)

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Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Steven J. Andrist, being first duly sworn, on my oath, say that I am the publishër of The Journal, a weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

Notice of Publication ND Industrial Commission

a printed copy of which is here attached, was published in The Journal on the following dates:

Signed

Steven J. Andrist, Publisher

Subscribed and sworn to before me August 15, 2005

Vonni L. Anderson

Notary Public, State of North Dakota

My Commission Expires August 2, 2011



Tinder

Classified Advertising Invoice

Bismarck Tribune

PO BOX, 5516 Bismarck, ND 58506-5516 701-223-2500 In State 800-472-2273 Fax 701-223-6584



OIL & GAS DIVISION

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 and the rules and regulations of said Commission promulgated thereunder of the following public hearing to be held at 9:00 a.m. on Wednesday, July 27, 2005, North Dakota Oil and Gas Division Office, 1016 East Calgary Aveniue, 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 DISABILITIES: 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 July 22, 2005.

STATE OF NORTH DAKOTA TO:

All named parties and persons having any right title interest or claim in the following cases.

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public: Case No. 8614: On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Headington Oil Limited Partnership #11X-35 Hove well, located in the NW/4 NW/4 of Section 35, T.155N., R.95W., Williams County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8615: On a motion of the Commission to consider the application of Headington Oil, Limited Partnership for an order extending the field boundaries and amending the field rules for the St. Demetrius-Bakken extending the field boundaries and amending the field rules for the St. Demetrius-Bakken Pool so as to create three 1280-acre spacing units comprised of Sections 27 and 34, 29 and 30, and Sections 32 and 33, T.142N., R.99W, Billings County, North Dakota, authorizing the drilling of one horizontal well within each spacing unit not less than 500 feet to the boundary of each spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8616. On a motion of the Commission to consider the application of Samuel Gafy, Jr. and Associates, Inc. for an order amending the field rules for the West Tioga-Bakken Pool so as to create a 320-acre spacing unit comprised of the N/2 of Section 33, T.158N., R.95W, Williams County, North Dakota, authorizing the drilling of a horizontal well within said spacing unit not less than 660 feet to the boundary of the spacing izontal well within said spacing unit not less than 660 feet to the boundary of the spacing unit and providing such further and additional relief as the Commission deems appropriate.

Case No. 8617: On a motion of the Commission to consider the application of Orion Energy Partners L.P. for an order creating a 640-acre drilling unit comprised of all of Section 28, T.155N., R.94W., Mountrail County, North Dakota, authorizing the drilling of a horizon-ral 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. 8618: On a motion of the Commission to consider the application of priate. Case No. 8618; On a motion of the Commission to consider the application of Continental Resources, Inc. for an order approving certain amendments to the unit operating agreement for the Medicine Pole Hills West-Red River Unit, Bowman County, North Dakota; so as to authorize the recovery of a risk penalty as provided by North Dakota Century Code Section 38-08-09.4 and for such further and additional relief as the Commission deems appropriate. Case No. 8619: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 2 and 11, T.142N., R.99W, Billings County, North Dakota, authorizing the drilling of a horizontal well therein a adoctance per less than 660 feet from the rizing the drilling of a horizontal well therein at a location not less than 660 feet from the rizing the drifting of a horizontal well therein at a location not less than 680 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. 8620: On a motion of the Commission to consider the application of Continental Resources, finc. for an order extending the field boundaries and amending the field rules for the St. Demetrius-Bakken Pool so as to create three 1280-acre spacing units comprised of Sections 3 and 10, 4 and 9, and Sections 5 and 8, T.141N., R.99W., Billings County, North Dakota, authorizing the drilling of one horizontal well within each spacing unit not less than 500 feet to the boundary of each spacing unit and well within each spacing unit not less than 500 feet to the boundary of each spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8621: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 18 and 19, T.141N., R.98W., Billings 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 appropriates. Case No. 86312, One provision of the Commission to sending the provision of the commission than the policytics of the proposition of the commission that the policytics of the provision of the Commission than application of the provision of the Commission that the policytics of the provision of the commission that the policytics of the provision of the commission that the policytics of the provision of the commission that the provision of th Priate. Case No. 8622: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 3 and 10,T.159N., R.95W., 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 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. 8623: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool and/or Dolphin-Bakken Pool so as to create two 1280-acre spacing units comprised of Sections 15 and 22 and Sections 16 and 21,T.161N., R.95W., Divide County, North Dakota, authorizing the drilling of one horizontal well within each spacing unit not less than 660 feet to the boundary of each spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8612: (Continued) On a motion of the Commission to consider the proper spacing for the development of the Hayland-Bakken Pool, Divide County, North Dakota, redefine the limits of the field, and enact such special field rules as may be necessary. Condor Petroleum 10. field, and enact such special field rules as may be necessary. Condor Petroleum, Inc

Fax: 701-223-6584

No. 8624: On a motion of the Commission to consider the application of Stephens Energy Company LLC for an order re-establishing temporary or proper spacing for the Four Eyes-Bakken Pool; extending the outline of the Four Eyes Field to include all of Section 32, T.144N., R.100W., Billings County, North Dakota; establishing four 1280-acre spacing units for the Four Eyes-Bakken Pool consisting of (a) all of Section 5,T.143N., R.100W., and Section 2. 32, T.144N., R.100W., (b) all of Sections 8 and 9, T.143N., R.100W., (c) all of Sections 16 and 32, 1.144N., R.100W., (b) all of Sections of and 7, 1.143N., R.100W., and allowing a horizontal well with one or more laterals to be drilled on each such spacing unit at any location not closer than 500 feet to the boundary of such spacing unit; establishing four 640-acre spacing units for the Four Eyes-Bakken Pool consisting of all of Sections 19, 29, and 31, T.143N., R.100W., and Section 25, T.143N., R.101W., and allowing a horizontal well with one or more laterals to be drilled on each such spacing unit at any location not closer than 500 feet to the boundaries of such spacing units; and for such other and further relief as the Commission deems appropriate. Case No. 8625: On a motion of the Commission to consider the application of the Prospective Investment and Trading Company, Ltd., for an order establishing a zone of 640-acre spacing for the Charlson-Bakken pool consisting of all of Sections 25, 35 and 36, T.153N., R.95W., McKenzie County, North Dakota, and allowing a horizontal well to be drilled in each such spacing unit at any location not closer than 500 feet to the boundaries of said spacing unit; or for such other and further relief as the Commission deems appropriate. Case No. 8626: On a motion of the Commission to concommission to consider the application of the Prospective Investment and Trading Company, Ltd., for an order extending the field outline for the Keene Field so as to include the W/2 of Section 36, T.153N., R.96W., McKenzie County, North Dakota, establishing a zone of 640-acre spacing for the Keene-Bakken-Three Forks Pool consisting of all of said Section 36 and allowing a horizontal well to be drilled at any location not closer than 500 feet to the boundaries of relief as the Commission deems appropriate. Case No. 8627; On a motion of the Commission to consider the application of Murex Petroleum Corporation for an order establishing a 1280-acre drilling or spacing unit consisting of all of Sections 28 and 33, T.157N., R.95W, Williams County, North Dakota, and sisting of all of Sections 28 and 33, T.157N., R.95W., Williams County, North Dakota, and allowing a horizontal well with one or more laterals to be drilled at any location not closer mt Due than 500 feet to the boundary of the drilling or spacing unit; or for such other and further relief as the Commission deems appropriate. Case No. 8628: On a motion of the Commission to consider the application of Murex Petroleum Corporation for an order creating a 1280-acre drilling unit consisting of all of Sections 25 and 36, T.158N., R.96W. Williams County, North Dakota, and allowing a horizontal well with one or more laterals to be drilled in the Bakken Formation at any location not closer than 500 feet to the bound. 221.68 be drilled in the Bakken Formation at any location not closer than 500 feet to the boundary of the drilling unit, or for such other and further relief as the Commission deems appropriate. Case No. 8629: On a motion of the Commission to consider the application of Murex Petroleum Corporation for an order creating a 1280-acre drilling unit consisting of all of Sections 13 and 24,T.158N., R.96W., Williams County, North Dakota, and allowing a horizontal well with one or more laterals to be drilled in the Bakken Formation at any location not closer than 500 feet to the boundary of the drilling unit, or for such other and further relief as the Commission deems appropriate. Case No. 8630: On a motion of the Commission to consider the application of Tri-C Resources, Inc. for an order creating a 640-acre drilling unit consisting of all of Section 16, T.154N., R.100W., Williams County, North Dakota, and allowing a horizontal well with one or more laterals to be drilled at any location not closer than 500 feet to the boundary of the drilling unit, or for such other and further relief as the Commission deems appropriate. Case No. 8631: On a motion of the Commission to consider the application of Tri-C Resources, Inc. for an order creating a 640-acre drilling unit consisting of all of Section 16, T.154N., R.101W., Williams County, North acre drilling unit consisting of all of Section 16, T.154N., R.101W, Williams County, North Dakota, and allowing a horizontal well with one or more laterals to be drilled at any location not closer than 500 feet to the boundary of the drilling unit, or for such other and further relief as the Commission deems appropriate. Case No. 8632: On a motion of the Commission to consider the application of Lyco Energy Corporation for an order establishing a 640-acre drilling unit comprised of all of Section 8, T.148N., R.103W., McKenzie County, North Dakota, as an exception to Section 43-02-03-18 of the North Dakota Administrative Code and/or such other and further relief as the Commission may deem appropriate. Case No. 8633: On a motion of the Commission to consider the application of Lyco Energy Corporation for an order establishing a 640-acre drilling unit comprised of appropriate. Case No. 8633: On a motion of the Commission to consider the application of Lyco Energy Corporation for an order establishing a 640-acre drilling unit comprised of all of Section 12, T. 148N., R. 103W., McKenzie County, North Dakota, as an exception to Section 43-02-03-18 of the North Dakota Administrative Code and/or such other and further relief as the Commission may deem appropriate. Case No. 8634: On a motion of the Commission to consider the application of Lyco Energy Corporation for an order establishing a 640-acre drilling unit comprised of all of Section 9, T.151N., R. 99W., McKenzie County, North Dakota, as an exception to Section 43-02-03-18 of the North Dakota Administrative Code and/or such other and further relief as the Commission may deem appropriate. Case No. 8635: On a motion of the Commission to consider the application of Lyco Energy Corporation for an order establishing a 640-acre drilling unit comprised of all of Section 20, T.150N., R.97W., McKenzie County, North Dakota, as an exception to Section 43-02-03-18 of the North Dakota Administrative Code and/or such other and further relief as the Commission may deem appropriate. Case No. 8584: (Continued) On a motion of the Commission to consider the application of Chesapeake Operating, Inc. for an order pursuant to North Dakota Administrative Code Section 43-02-03-88. I authorizing production from the Madison and Bakken Pools to be commingled in the well bore of the applicant's Bakken #1 well, located in the NE/4 NW/4 of Section 32, T.161N., R.95W., applicant's Bakken #1 well, located in the NE/4 NW/4 of Section 32, T.161N., R.95W., applicant's Barken #1 Well, located in the NE/4 NW/4 of Section 32, 1161N., K-95W., Dolphin Field, Divide County, North Dakota, and such other and further relief as the Commission deems appropriate. Case No. 8636: On a motion of the Commission to consider the application of Energy Equity Company for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the conversion to saltwarer disposal into the Dakota Group of the Brown #42-28 well, located in the SE/4 NE/4 of Section 28, T.142N., R.103W., Cooks Peak Field, Golden Valley County, North Dakota, pursuant to NDAC Chapter 43-02-05 and providing such other and further relief as the Commission deems appropriate. Signed by, John Hoeven, Governor

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Chairman, ND Industrial Commission

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Terms: PAYMENT IS DUE UPON RECEIPT OF INVOICE