

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 9221
ORDER NO. 10833

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF STONE ENERGY CORP. FOR AN ORDER AUTHORIZING THE RECOMPLETION OF THE #25-2 PLUMER-LUNDQUIST WELL INTO THE STONEWALL FORMATION AT A LOCATION APPROXIMATELY 120 FEET FROM THE NORTH LINE AND 1680 FEET FROM THE EAST LINE OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, ND, AS AN EXCEPTION TO THE PROVISIONS OF NDAC § 43-02-03-18 AND SUCH OTHER RELIEF AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 15th day of November, 2006.
- (2) The witnesses for Stone Energy Corporation (Stone) 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 November 17, 2006, therefore, such testimony may be considered evidence.
- (3) Stone is the owner of an oil and gas leasehold estate in the NE/4 of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota (Section 25).
- (4) Said tract of land in (3) above is within the boundary of the Burg Field, although the Stonewall Pool is unspaced, and NDAC Section 43-02-03-18 requires vertical oil wells projected to a depth deeper than the Mission Canyon Formation to be located not less than 660 feet to the boundary of a governmental quarter section or equivalent lots.
- (5) Stone is the operator of the Plumer-Lundquist #25-2 well, located approximately 120 feet from the north line and 1680 feet from the east line of Section 25. The well is currently completed in the Burg-Gunton Pool, although Stone is desirous of recompleting said well in the Stonewall Pool.

(6) The drilling of a new well at a proper location would result in a dry hole, or a noncommercial well and would be an unnecessary well. This proposed recompletion into the Burg-Stonewall Pool will recover oil that might not otherwise be produced.

(7) There were no objections to this application.

(8) In order to prevent waste, avoid the drilling of unnecessary wells, and to protect correlative rights this application should be granted.

IT IS THEREFORE ORDERED:

(1) Stone Energy Corporation, its assigns and successors, is hereby permitted to recomplete its Plumer-Lundquist #25-2 well, located approximately 120 feet from the north line and 1680 feet from the east line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota as an exception to the spacing requirements set forth under NDAC Section 43-02-03-18.

(2) The well permitted in (1) above shall not produce more than its fair and equitable share of oil and/or gas in any reservoir.

(3) For purposes of this order, the Stonewall Pool is hereby defined as that accumulation of oil and gas found in the interval from below the top of the Middle Member of the Interlake Formation to above the top of the Stony Mountain Formation.

(4) This order shall remain in full force and effect until further order of the Commission.

Dated this 14th day of December, 2006.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN 5729

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

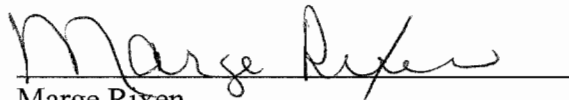
I, Marge Rixen, being duly sworn upon oath, depose and say: That on the 18th day of December, 2006 enclosed in separate envelopes true and correct copies of the attached Order No. 10833 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 9221:

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

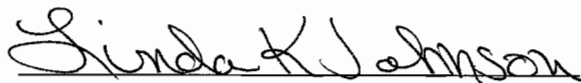
ALLEN WILD
STONE ENERGY CORPORATION
PO BOX 52807
LAFAYETTE LA 70505

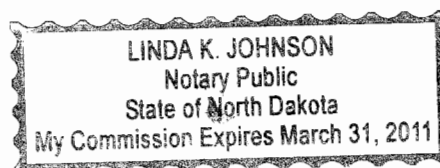
JAMES DRUYFF
STONE ENERGY CORPORATION
950 17TH ST STE 2600
DENVER CO 80202

MARK DEGENHART
STONE ENERGY CORPORATION
950 17TH ST STE 2600
DENVER CO 80202


Marge Rixen
Oil & Gas Division

On this 18th day of December, 2006 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





WILLIAM P. PEARCE
PATRICK W. DURICK
B. TIMOTHY DURICK
GARY R. THUNE
JEROME C. KETTLESON
LARRY L. BOSCHEE ••
LAWRENCE BENDER, PC •
JONATHAN P. SANSTEAD
TIFFANY L. JOHNSON
JEFFREY T. GLYNN

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

TELEPHONE (701) 223-2890
FAX (701) 223-7865

E-MAIL: law.office@pearce-durick.com

November 16, 2006

Mr. Bruce Hicks
Assistant Director
North Dakota Industrial Commission
Oil and Gas Division
600 E. Boulevard
Bismarck, ND 58505

RE: NDIC CASE NO. 9221

Dear Mr. Hicks:

Please find enclosed herewith for filing the original TELEPHONIC COMMUNICATION AFFIDAVITS in regard to the above-captioned matter.

Should you have any questions, please advise.

Sincerely,

LAWRENCE BENDER

LB/leo

Enclosure

cc: Mr. Alan Wild - (w/o enc.) *Via Facsimile*

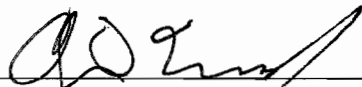
BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA



Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall formation at a location approximately 120 feet from the North line and 1680 feet from the East line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and such other and further relief.

TELEPHONIC COMMUNICATION AFFIDAVIT

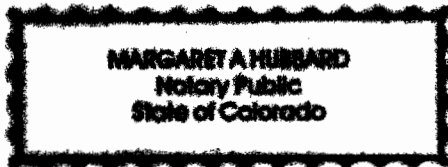
Alan Wild being first duly sworn deposes and states as follows: That on November 15, 2006, I testified under oath before the North Dakota Industrial Commission in Case Number 9221. My testimony was presented by telephone from (303) 685-8066, at, and on behalf of, Stone Energy Corp., 950 17th Street, Suite 2600, Denver, Colorado 80202.

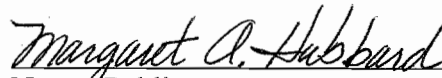


Alan Wild

STATE OF COLORADO)
)ss:
COUNTY OF DENVER)

On NOVEMBER 15TH, 2006, Alan Wild of Stone Energy Corp., 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.

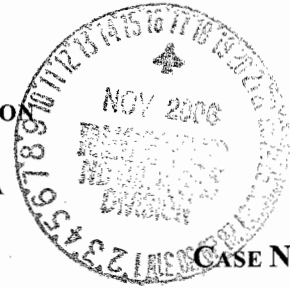




Notary Public
My Commission Expires: FEBRUARY 26, 2010

My Commission Expires
February 26, 2010

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA



Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall formation at a location approximately 120 feet from the North line and 1680 feet from the East line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and such other and further relief.

TELEPHONIC COMMUNICATION AFFIDAVIT

Mark Degenhart being first duly sworn deposes and states as follows: That on November 15, 2006, I testified under oath before the North Dakota Industrial Commission in Case Number 9221. My testimony was presented by telephone from (303) 685-8066, at, and on behalf of, Stone Energy Corp., 950 17th Street, Suite 2600, Denver, Colorado 80202.

A. Mark G. Degenhart
Mark Degenhart

STATE OF COLORADO)
)ss:
COUNTY OF DENVER)

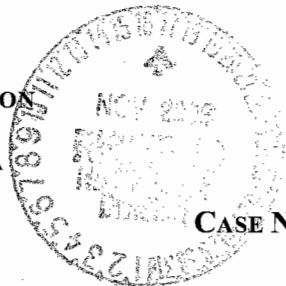
On NOVEMBER 15TH, 2006, Mark Degenhart of Stone Energy Corp., known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.



Margaret A. Hubbard
Notary Public
My Commission Expires: FEBRUARY 26, 2010

My Commission Expires
February 26, 2010

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA



CASE No. 9221

Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall formation at a location approximately 120 feet from the North line and 1680 feet from the East line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and such other and further relief.

TELEPHONIC COMMUNICATION AFFIDAVIT

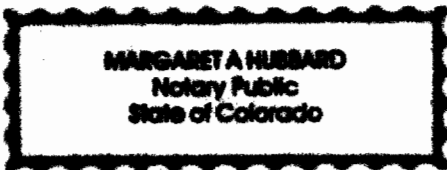
Jim Druyff being first duly sworn deposes and states as follows: That on November 15, 2006, I testified under oath before the North Dakota Industrial Commission in Case Number 9221. My testimony was presented by telephone from (303) 685-8066, at, and on behalf of, Stone Energy Corp., 950 17th Street, Suite 2600, Denver, Colorado 80202.

Jim Druyff

Jim Druyff

STATE OF COLORADO)
)ss:
COUNTY OF DENVER)

On NOVEMBER 15TH, 2006, Jim Druyff of Stone Energy Corp., 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.



Margaret A. Hubbard

Notary Public
My Commission Expires: FEBRUARY 26, 2010

My Commission Expires
February 26, 2010

STONE ENERGY CORP.

CASE No. 9221

#25-2 Plumer-Lundquist

SEC. 25-T161N-R99W

DIVIDE COUNTY, ND

NOVEMBER 15, 2006



LOCATOR MAP

Proposed Location Exception

Plummer Lunquist 2-25

120 FNL & 1680 FEL

Sec 25-161N-99W

REMARKS

Stone Energy
Proposed Location Exception
For Stonewall Formation

By: JCD

October 27, 2006

INDUSTRIAL COMMISSION

STATE OF NORTH DAKOTA

DATE 11/15/06 CASE NO. 9221

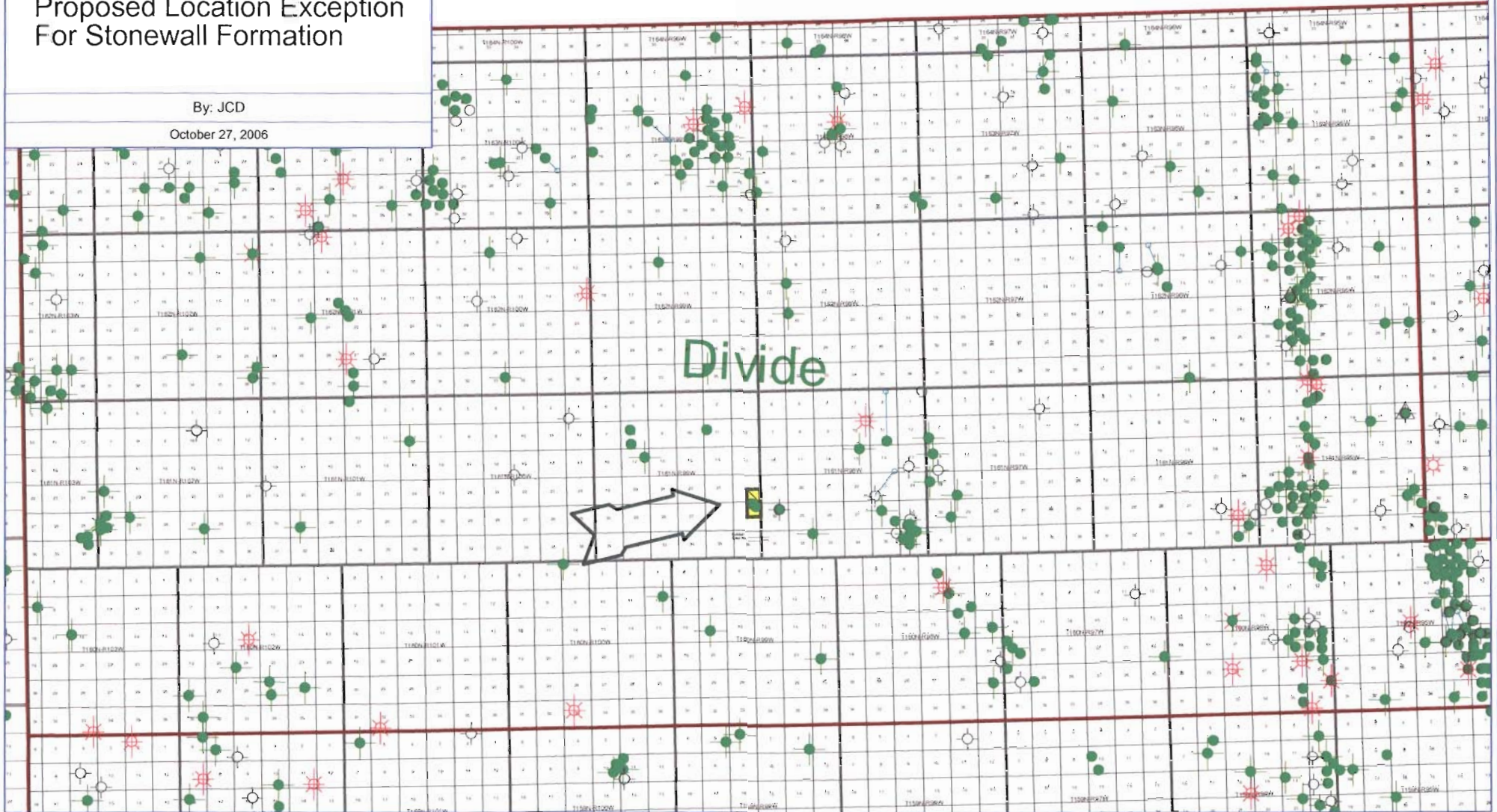
Introduced By Stone Energy

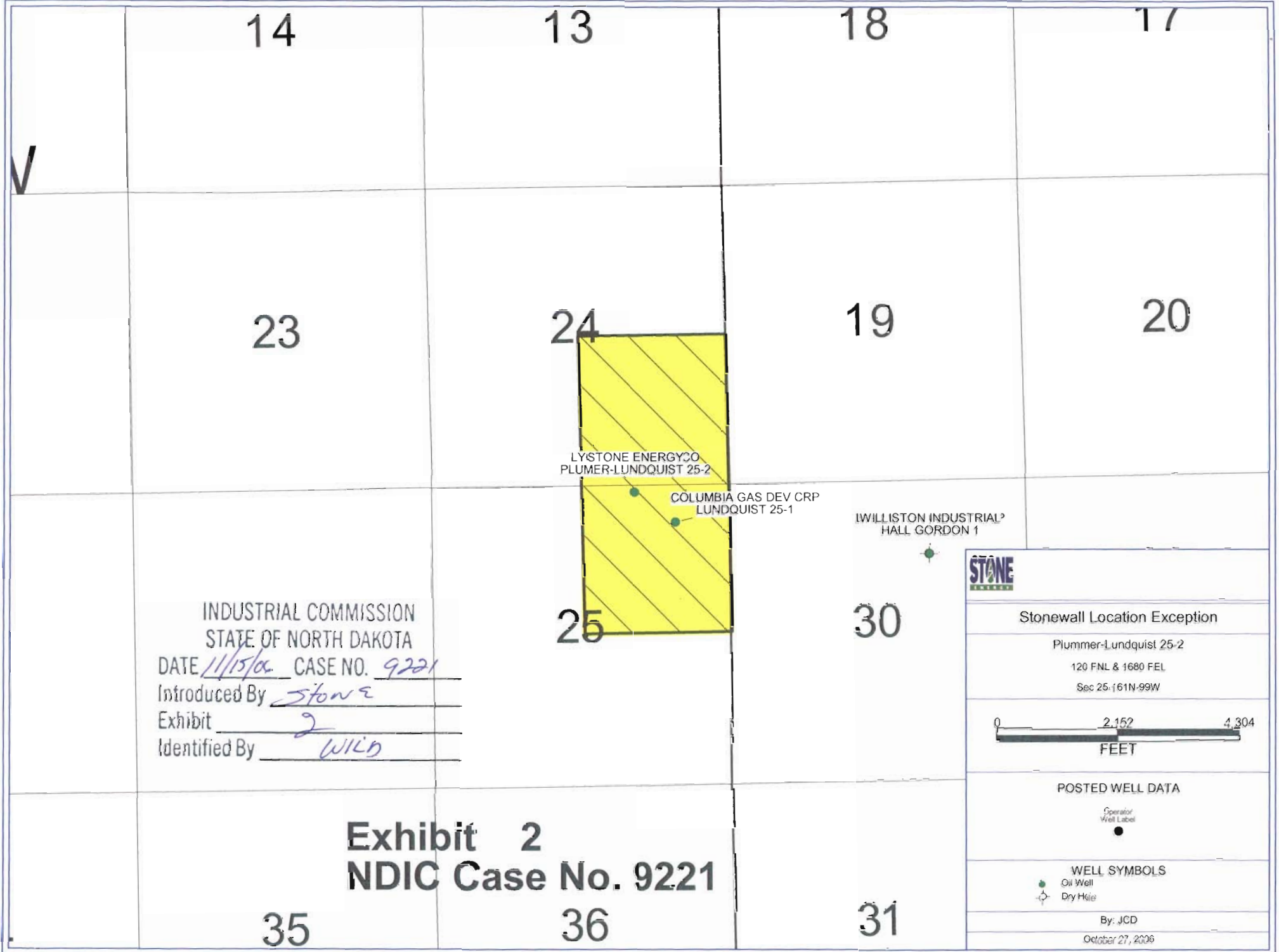
Exhibit 1

Identified By WILD

Exhibit No. 1

NDIC Case No. 9221

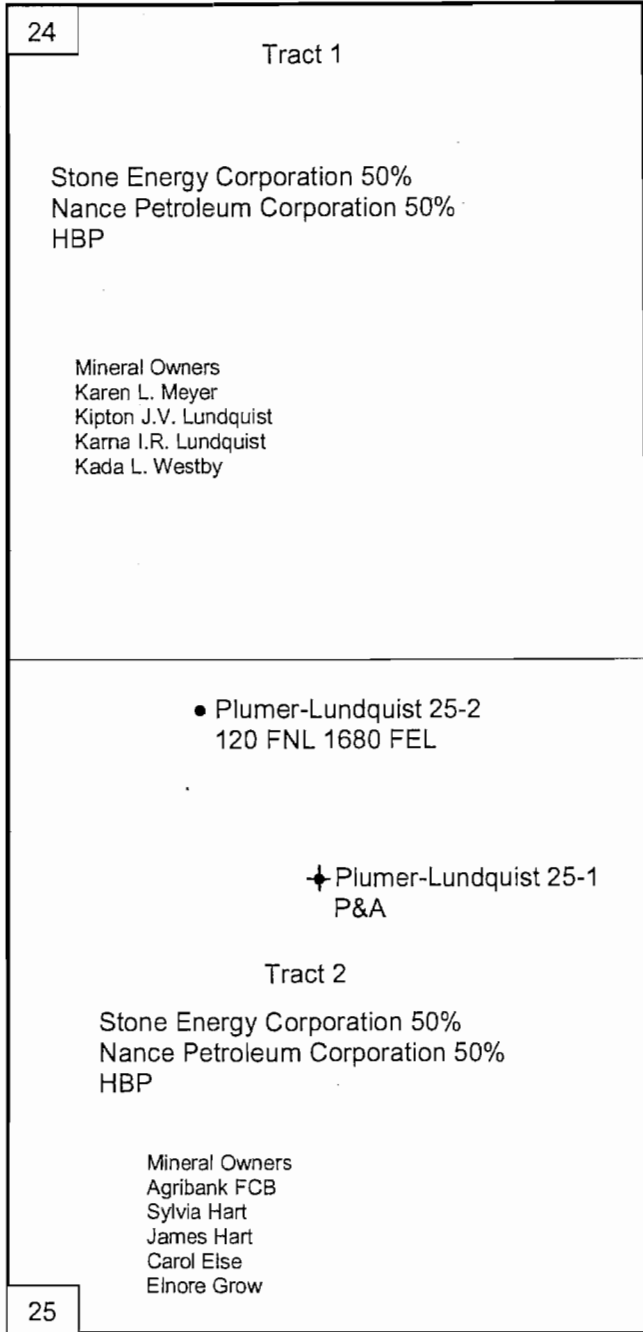




INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 11/15/06 CASE NO. 9221
 Introduced By STONE
 Exhibit 2
 Identified By WILD

Exhibit 2
NDIC Case No. 9221

STONE
Stonewall Location Exception
Plummer-Lundquist 25-2 120 FNL & 1680 FEL Sec 25-161N-99W
0 2,152 4,304 FEET
POSTED WELL DATA
Operator Well Label ●
WELL SYMBOLS
● Oil Well ⊕ Dry Hole
By: JCD October 27, 2006

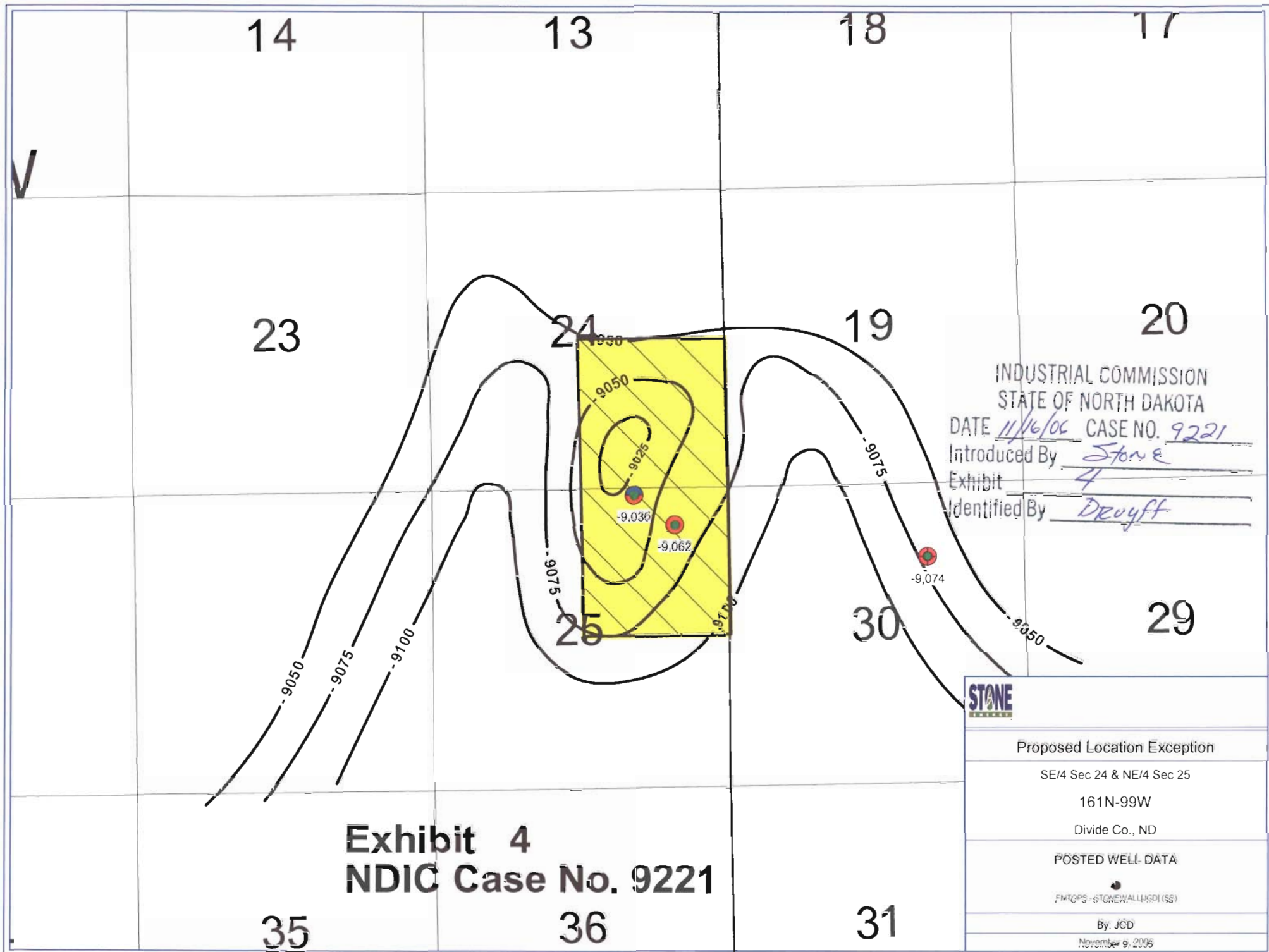


_____ Unit outline.

INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 11/15/06 CASE NO. 9221
 Introduced By Stowe
 Exhibit 3
 Identified By WLD

STONE ENERGY CORPORATION
 Burg Field
 T161N-R99W: SE4 Sec. 24, NE4 Sec. 25
 Divide County, North Dakota

 Exhibit No. 3
 Case No. 9221



INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 11/16/06 CASE NO. 9221
 Introduced By Stone
 Exhibit 4
 Identified By Droyft

Exhibit 4
NDIC Case No. 9221

STONE ENERGY
Proposed Location Exception
SE/4 Sec 24 & NE/4 Sec 25
161N-99W
Divide Co., ND
POSTED WELL DATA
FMGPS - STONEWALL (SD) (SS)
By: JCD
November 9, 2006

STONE ENERGY
 PLUMER-LUNDQUIST 25-2
 NE NW NE
 T161N R99W S25
 2,118

DLL 11,670 CNL/FDC

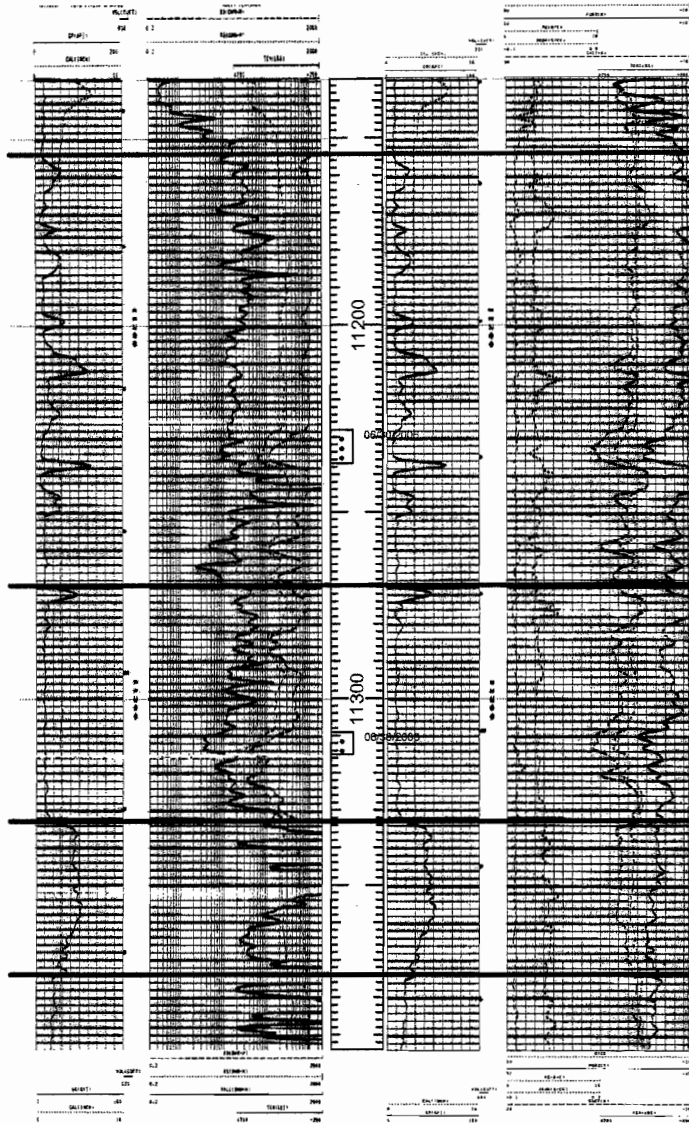



Exhibit 5
 Case No. 9221

INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 11/15/06 CASE NO. 9221
 Introduced By Stone
 Exhibit 5
 Identified By Drayff

	Type Log
	Stonewall Location Exception
Plummer Lundquist 25-2	
120 FNL&1680 FEL	
25-161N-99W	
Well Label Spot Codes Twn-Rge-Sec Datum Elevation ● WELL - TD	



Plumer Lundquist 25-2

Current Schematic 7-27-06

API# 33-023-00439

Sec 25 - T161N - R99W NE NW NE
Burg Field
Divide Co., ND

KB elev: 2117'
GL elev: 2102'

Surface casing 9 5/8" 36#/ft L-80 at ~1644'
Cmt w/ 750 sx to surface

Tubing:	lengths
ADJ KB	11
Slackoff	-5.00
332 jts	11269.00
SN	1.05
Packer	7.50
SUB	10.02
Retrieving head	3.50
	<u>11,297.07</u>

TOC @ ~2930'

Exhibit No. 6
Case No. 9221

Production casing detailed:

5 1/2" 23# P-110 LT&C	13'
5 1/2" 20# L-80 LT&C	1064'
5 1/2" 17# L-80 LT&C	6702'
5 1/2" 23# L-80 LT&C	7420'
5 1/2" 17# L-80 LT&C	9768'
5 1/2" 23# P-110 LT&C	10,268'
5 1/2" 20# L-80 LT&C	10,405'
DV collar	10,407'
5 1/2" 20# L-80 LT&C	11,629'
Casing Shoe	11,658'

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 11/15/06 CASE NO. 9221
Introduced By Stone
Exhibit 6
Identified By Degenhart

EOT @ 9046'

DV tool @ 10,407'
Cmt'd w/ 2540 sxs

Sqz'd w/ 100 sx (March 2003)

Interlake:

10,440' - 10,445' (4 spf)
10,453' - 10,458' (4 spf)
10,461' - 10,468' (4 spf)

Stonewall

11,228-11,237 (6 spf) 6/30/06

Gunton

11,309-11,315 (6 spf) 6/30/06

Red River C:

11,494' - 11,499' (4 spf)
11,503' - 11,509' (4 spf)
Perf Breakdown, reports unclear - 1 bbl acid
11,520' - 11,530' (4 spf)

Red River D:

11,558' - 11,565' (4 spf)
Acidize w/ 1000 gal 15% HCl

SN at 11,267'
Baker Retrievmatic packer set at 11,283'

Acidized w/ 600 gal 15% HCL on 7/6/06

RBP set at 11,367'

Retainer for suicide sqz @ ~11,512'

CIBP @ ~11,555' (March 2003)

5 1/2", 17, 20, & 23#/ft, L-80, P-110 at ~11,658'
Cmt w/ 250 sx

PBTD: 11,512'
TD: 11,670'

Stonewall

Pres-init	4863	psig	calculated estimate
API oil	41.5		estimated
SG oil	0.82	to water	estimated
GOR	500	scf/bbl	estimated
Sw-init	19	%	calculated from logs
Tres	210	deg F	calculated from logs
Viscosity	3	cp	estimated
Porosity	6	%	calculated from logs
Thickness	9	feet	net pay from logs
Resistivity (water)	0.015	Ohms	estimated
Bo	1.5	bbl/bbl	estimated

Drive Mechanism Solution Gas Drive

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 11/15/06 CASE NO. 9221
Introduced By Stone
Exhibit 7
Identified By Degenhart

Exhibit No. 7

Case No. 9221

ECONOMIC SUMMARY TABLE

Assumptions: \$50.00/Bbl, Opex \$3500/W/Mo,
20.375% Royalties, 23-Year Well Life

<i>Parameter</i>	Plumer-Lundquist 25-2 Stonewall interval
EUR Oil (MBO)	68
EUR Gas (MMCFG)	34
R.F. as % of OOIP	9.4%
Net Sales (M\$)	2,709
Severance Tax (M\$)	312
Operating Costs (M\$)	942
Net Income (M\$)	1,456
Investment (M\$)	90
Undiscounted Cash Flow (M\$)	1,366
Return on Investment Ratio	16.2

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 11/15/06 CASE NO. 9221
Introduced By Stowe
Exhibit 8
Identified By Degenhart

Exhibit No. 8
Case No. 9221



WILLIAM P. PEARCE
PATRICK W. DURICK
B. TIMOTHY DURICK
GARY R. THUNE
JEROME C. KETTLESON
LARRY L. BOSCHEE ♦♦
LAWRENCE BENDER, PC ♦
JONATHAN P. SANSTEAD
TIFFANY L. JOHNSON

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



TELEPHONE (701) 223-2890
FAX (701) 223-7865
E-MAIL: law.office@pearce-durick.com

October 30, 2006

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

**RE: NDIC CASE NO. 9221
APPLICATION OF STONE
ENERGY CORP.**

Dear Mr. Hicks:

Please find enclosed herewith for filing an AFFIDAVIT OF SERVICE BY MAIL in regard to the above-captioned case.

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. Alan Wild - (w/enc.)

AgricBank FCB
Attn: Mineral Payment
375 Jackson Street
St. Paul, MN 55101

Sylvia Hart
130 El Portal Drive
Merced, CA 95340-0929

James hart
12505 Andy Street
Cerritos, CA 90703

Carol Else
9702 Veterans Drive SW
Lakewood, WA 98498-1151

Karen L. Meyer
18406 Revere Avenue South
Prior Lake, MN 55372

Kipton J V Lundquist
5933 Tamarac Ave
Edina, MN 55436

Karna I R Lundquist
6908 Ridgeview Drive
Edina, MN 55438

Kada L Westby
3208 Skyview Drive
Burnsville, MN 55337

Elnore Grow
17394 Jurassic Road
Morrison, CO 80465

Elaine Christine Holden
312 South Alley Street
Jefferson, TX 75657

Discovery Geoservices Corp
PO Box 2699
Forney, TX 75126

Northern Energy Corporation
PO Box 2283
Bismarck, ND 58502

Landmark Oil Gas LLC
PO Box 1881
Dickinson, ND 58602-1881

Stone Energy Corporation
PO Box 52807
Lafayette, LA 70505-2807

Nance Petroleum Corporation
Revenue Distribution
PO Box 30242
Billings, MT 59107-0242

EXHIBIT A



WILLIAM P. PEARCE
PATRICK W. DURICK
B. TIMOTHY DURICK
GARY R. THUNE
JEROME C. KETTLESON
LARRY L. BOSCHEE ••
LAWRENCE BENDER, PC •
JONATHAN P. SANSTEAD
TIFFANY L. JOHNSON

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

TELEPHONE (701) 223-2890
FAX (701) 223-7865
E-MAIL: law.office@pearce-durick.com

October 16, 2006

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 STONE
ENERGY CORP.
Section 25, Township 161 North,
Range 99 West, Divide County, North
Dakota**

Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF STONE ENERGY CORP. as described above.

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

Thank you for your attention to this matter.

Sincerely,



LAWRENCE BENDER

LB/leo

Enclosure

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

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

CASE NO. 9221

Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall formation at a location approximately 120 feet from the North line and 1680 feet from the East line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and such other and further relief.



APPLICATION OF STONE ENERGY CORP.

Stone Energy Corp. ("Stone"), for its application, respectfully shows the North Dakota Industrial Commission ("Commission") as follows:

1.

That Stone is the owner of an interest in the oil and gas leasehold estate in the Southeast Quarter (SE/4) of Section 24 and the Northeast Quarter (NE/4) of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota ("Sections 24 & 25").

2.

That Stone is the operator of the #25-2 Plumer-Lundquist well, located in the Northwest Quarter of the Northeast Quarter (NW/4NE/4) of Section 25.

3.

That the #25-2 Plumer-Lundquist well is located within the area defined by the Commission as the Burg Field.

4.

That the #25-2 Plumer-Lundquist well, while currently producing from the Burg-Gunton Pool, is believed to be capable of production from the Stonewall formation.

5.

That by virtue of Order No. 10764 entered in Case No. 9159, dated October 6, 2006, temporary spacing for the Burg-Gunton Pool has been established at one well to 320 acres.

6.

That as a result of the above-captioned order, the Southeast Quarter (SE/4) of Section 24 and the Northeast Quarter (NE/4) of Section 25 constitutes the spacing unit for the #25-2 Plumer-Lundquist well in the Burg-Gunton Pool.

7.

That Stone is desirous of recompleting the #25-2 Plumer-Lundquist well into the Stonewall formation and anticipates that the Southeast Quarter (SE/4) of Section 24 and the Northeast Quarter (NE/4) of Section 25 will be the spacing unit for the well in the Stonewall formation.

8.

That state wide well location rules require vertical wells to be drilled to the Stonewall formation to be located not less than 660 feet to a governmental quarter section.

9.

That Section 43-02-03-18.1 of the North Dakota Administrative Code provides, in part, that upon application, if the Commission finds that a well drilled at the prescribed location would not produce in paying quantities, that surface conditions would substantially add to the burden or hazard of drilling such well, or that the drilling of such well at a location other than the prescribed location is

necessary to protect correlative rights, prevent waste, or to effect greater ultimate recovery of oil and gas, the Commission is authorized to enter an order permitting the well to be drilled at a location other than a prescribed location.

10.

That attached hereto and marked Exhibit "A" is a plat showing the proposed location and showing all producing wells and abandoned producers and dry holes on properties adjoining the proposed location.

11.

That attached hereto and marked Exhibit "B" is a list of owners or lessees of properties adjoining the tract which would be affected by the exception location to each of which a copy of this application is being mailed, certified mail, return receipt requested.

12.

That Stone is of the opinion that recompletion of its #25-2 Plumer-Lundquist well, at a location approximately 120 feet from the North line and 1680 feet from the East line of said Section 25, is necessary to protect correlative rights, prevent waste and to effect the greater ultimate recovery of oil and gas from the pool.

13.

That Stone therefore requests an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall formation at a location approximately 120 feet from the North line and 1680 feet from the East line of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, 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.

WHEREFORE, Stone requests the following:

- (a) That this matter be set for hearing on November 15, 2006;
- (b) That pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code, Stone's witnesses in this matter be allowed to participate by telephonic means; and
- (c) That the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate.

DATED this 16th day of October, 2006.

PEARCE & DUTRICK

By 

LAWRENCE BENDER

Attorneys for Applicant

Stone Energy Corp.

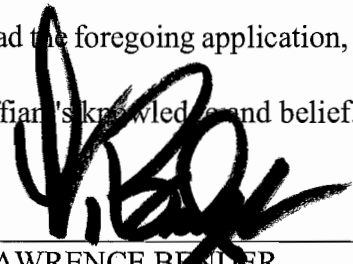
314 E. Thayer

P. O. Box 400

Bismarck, ND 58502-0400

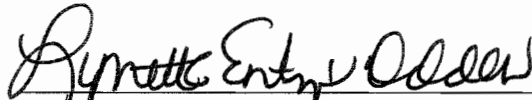
STATE OF NORTH DAKOTA)
)ss.
COUNTY OF BURLEIGH)

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 16 day of October, 2006.



Lynette Entzi-Odden, Notary Public
My Commission Expires:

14

13

18

23

24

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26

25

30

LYSTONE ENERGY CO
PLUMER-LUNDQUIST 25-2

COLUMBIA GAS DEV CRP
LUNDQUIST 25-1

WILLISTON INDUSTRIAL
HALL GORDON 1

Exhibit A
Case No. _____

35

36



STONE ENERGY

Stonewall Location Exception
Plummer-Lundquist 25-2

0 1,693 3,386
FEET

POSTED WELL DATA

Operator Well Label

WELL SYMBOLS

- Oil Well
- Dry Hole
- Plugged and Abandoned

By JCD
October 16, 2006

AgricBank FCB
Attn: Mineral Payment
375 Jackson Street
St. Paul, MN 55101

Sylvia Hart
130 El Portal Drive
Merced, CA 95340-0929

James hart
12505 Andy Street
Cerritos, CA 90703

Carol Else
9702 Veterans Drive SW
Lakewood, WA 98498-1151

Karen L. Meyer
18406 Revere Avenue South
Prior Lake, MN 55372

Kipton J V Lundquist
5933 Tamarac Ave
Edina, MN 55436

Karna I R Lundquist
6908 Ridgeview Drive
Edina, MN 55438

Kada L Westby
3208 Skyview Drive
Burnsville, MN 55337

Elnore Grow
17394 Jurassic Road
Morrison, CO 80465

Elaine Christine Holden
312 South Alley Street
Jefferson, TX 75657

Discovery Geoservices Corp
PO Box 2699
Forney, TX 75126

Northern Energy Corporation
PO Box 2283
Bismarck, ND 58502

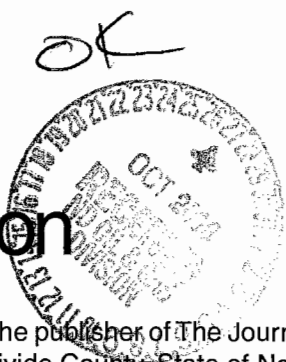
Landmark Oil Gas LLC
PO Box 1881
Dickinson, ND 58602-1881

Stone Energy Corporation
PO Box 52807
Lafayette, LA 70505-2807

Nance Petroleum Corporation
Revenue Distribution
PO Box 30242
Billings, MT 59107-0242



EXHIBIT B



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 publisher 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 HEARING

N.D. INDUSTRIAL COMMISSION - OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, November 15, 2006, at the N.D. Oil & Gas Division, 1016 East Calgary Ave., Bismarck, N. D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

PERSONS WITH DISABILITIES:

If at the hearing you need special facilities or assistance, contact the Industrial Commission at 701-328-3722 by Thursday, November 02, 2006.

STATE OF NORTH DAKOTA TO:

Case No. 9221: Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall Formation at a location approximately 120 feet from the north line and 1680 feet from the east line of Section 25, T.161N., R.99W., Divide County, ND, as an exception to the provisions of NDAC § 43-02-03-18 and such other relief as is appropriate.

Case No. 9222: Application of Stone Energy Corp. for an order pursuant to NDAC § 43-02-03-88.1

allowing the production from the Burg-Gunton Pool and the Stonewall Formation to be commingled in the well bore of the #25-2 Plumer-Lundquist well, NW/4 NE/4 Section 25, T.161N., R.99W., Burg Field, Divide County, ND, and such other relief as is appropriate.

Case No. 9047: (Continued) On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Samson Resources Company #14-23-161-98 Nordstog well, located in the SE/4 SE/4 of Section 14, T.161N., R.98W., Divide County, ND, define the limits of the field, and enact such special field rules as may be necessary.

Case No. 9227: Proper spacing for the development of the Baukol Noonan-Bakken Pool, Divide County, ND, redefine the field limits, and enact such special field rules as may be necessary. Mammoth Exploration LLC

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

(10-25)

NOTICE OF HEARING

N.D. INDUSTRIAL COMMISSION - OIL AND GAS DIVISION

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

October 25, 2006 63 lines @ .52 = 32.76

TOTAL CHARGE \$32.76

Signed

Steven J. Andrist, Publisher

Subscribed and sworn to before me October 25, 2006

Vonni L. Anderson

Notary Public, State of North Dakota

My Commission Expires August 2, 2011

OIL & GAS DIVISION

600 E BLVD AVE #405
BISMARCK ND 58505

Date	Order #	Type	Order Amt
10/27/06			
NOTICE OF HEARING N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION			
Amount Paid:	The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, November 15, 2006, at the N.D. Oil & Gas Division, 1016 East Calgary Ave., Bismarck, N. D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.		
PERSONS WITH DISABILITIES: If at the hearing you need special facilities or assistance, contact the Industrial Commission at 701-328-3722 by Thursday, November 02, 2006.			
STATE OF NORTH DAKOTA TO:			
Date	Case No. 9210: Temporary spacing to develop an oil and/or gas pool discovered by the Zenergy, Inc. #1-33H Fred well, NW/4 NW/4 Section 33, T.154N., R.102W., Williams County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9211: Temporary spacing to develop an oil and/or gas pool discovered by the Zenergy, Inc. #1-9H Theodore well, NW/4 NW/4 Section 9, T.151N., R.98W., McKenzie County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9212: Temporary spacing to develop an oil and/or gas pool discovered by the Ansbro Petroleum Co. LLC #11-4H Dvorak well, NW/4 NW/4 Section 4, T.141N., R.96V., Dunn County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9213: Temporary spacing to develop an oil and/or gas pool discovered by the Armstrong Operating, Inc. #24-25 Polensky well, SE/4 SW/4 Section 25, T.142N., R.98W., Billings County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9214: Application of Eagle Operating, Inc. for an order amending the provisions of Order No. 9769 creating the Glenburn Central-Madison Unit to authorize the recompletion of the Selma Larson #2 well, NW/4 NW/4 Section 6, T.158N., R.81W., Renville County, ND, as an injection well at a location less than 660 feet to the boundary of the Unit and such other relief as is appropriate. Case No. 9215: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Ash-Red River Pool to create and establish a 640-acre spacing unit comprised of Section 27, T.129N., R.102W., Bowman County, ND, authorizing the drilling of one horizontal well on said spacing unit, and such other relief as is appropriate. Case No. 9216: Application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 29 and 32, T.141N., R.97W., Dunn County, ND, authorizing the drilling of a horizontal well within said drilling unit at a location not less than 500 feet from the boundary of the drilling unit as an exception to the provisions of NDAC § 43-02-03-18 and such other relief as is appropriate. Case No. 9217: Application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 13 and 24, T.141N., R.98W., Billings County, ND, authorizing the drilling of a horizontal well within said drilling unit at a location not less than 500 feet from the boundary of the drilling unit as an exception to the provisions of NDAC § 43-02-03-18, and such other relief as is appropriate. Case No. 9218: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Natalie #1-2H well described as Sections 2 and 11, T.142N., R.99W., St. Demetrius-Bakken Pool, Billings County, ND; authorizing the recovery from each nonparticipating owner a risk penalty as provided by NDCC § 38-08-08 and such other relief as is appropriate. Case No. 9219: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Xavier #1-10H well described as Sections 3 and 10, T.141N., R.99W., St. Demetrius-Bakken Pool, Billings County, ND; authorizing the recovery from each nonparticipating owner a risk penalty as provided by NDCC § 38-08-08 and such other relief as is appropriate. Case No. 9220: Application of Ballantyne Oil Co. for an order pursuant to NDAC § 43-02-03-88.1 allowing oil and gas produced from the Sarah Swenson #1 well, NE/4 SW/4 Section 22 and the Jessie Stompro #1 well, SW/4 NE/4 Section 22, T.163N., R.93W., Columbus-Madison Pool, Burke County, ND; to be commingled in a central tank battery as an exception to the requirements of NDAC § 43-02-03-48 and pursuant to NDAC § 43-02-03-48.1 and such other relief as is appropriate. Case No. 9221: Application of Stone Energy Corp. for an order authorizing the recompletion of the #25-2 Plumer-Lundquist well into the Stonewall Formation at a location approximately 120 feet from the north line and 1680 feet from the east line of Section 25, T.161N., R.99W., Divide County, ND, as an exception to the provisions of NDAC § 43-02-03-18 and such other relief as is appropriate. Case No. 9222: Application of Stone Energy Corp. for an order pursuant to NDAC § 43-02-03-88.1 allowing the production from the Burg-Gunton Pool and the Stonewall Formation to be commingled in the well bore of the #25-2 Plumer-Lundquist well, NW/4 NE/4 Section 25, T.161N., R.99W., Burg Field, Divide County, ND, and such other relief as is appropriate. Case No. 9223: Application of Headington Oil, LP for an order extending the field boundaries and amending the field rules for the Tioga-Madison Pool to create a 480-acre spacing unit comprised of the W/2 and NE/4 of Section 15, T.157N., R.95W., Williams County, ND, authorizing the drilling of one horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and providing such other relief as is appropriate. Case No. 9224: Application of Headington Oil, Limited Partnership for an order extending the field boundaries and amending the field rules for the Grinnell-Madison Pool to create a 640-acre spacing unit comprised of the W/2 of Section 20 and the W/2 of Section 29, T.154N., R.95W., McKenzie and Williams Counties, ND, authorizing the drilling of one horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and providing such other relief as is appropriate. Case No. 9047: (Continued) On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Samson Resources Company #14-23-161-98 Nordstog well, located in the SE/4 SE/4 of Section 14, T.161N., R.98W., Divide County, ND, define the limits of the field, and enact such special field rules as may be necessary. Case No. 9225: Temporary spacing to develop an oil and/or gas pool discovered by the Brigham Oil & Gas, LP #1-H Field 18-19 well, NW/4 NE/4 Section 18, T.154N., R.101W., Williams County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9226: Temporary spacing to develop an oil and/or gas pool discovered by the Marathon Oil Co. #24-12H Marlin well, SE/4 SW/4 Section 12, T.146N., R.95W., Dunn County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9227: Proper spacing for the development of the Bakul Noonan-Bakken Pool, Divide County, ND, redefine the field limits, and enact such special field rules as may be necessary. Mammoth Exploration LLC Case No. 9228: Temporary spacing to develop an oil and/or gas pool discovered by the Hess Corporation #4-11H Enget well, NW/4 NW/4 Section 4, T.157N., R.93W., Mountrail County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9229: Application of Hess Corporation for an order amending the orders for the Capa-Bakken Pool to include the E/2 of Sections 21 and 28, T.155N., R.95W., Williams County, ND, within the Capa Field and include all of said Sections 21 and 28 as a 1280-acre spacing unit within Zone II of the Capa-Bakken Pool, or for such other relief as is appropriate. Case No. 9230: Application of Hess Corporation for an order extending the outline of the Beaver Lodge Field to include Section 4, the SE/4 of Section 5, and the E/2 of Section 8, T.155N., R.95W., Williams County, ND, and including Sections 4 and 5 and Sections 7 and 8 as 1280-acre spacing units within Zone III of the Beaver Lodge-Bakken Pool, or for such other relief as is appropriate. Case No. 9231: Application of Hess Corporation for an order amending the orders for the Beaver Lodge-Bakken Pool, Williams County, ND, to redefine the stratigraphic definition of the Bakken Pool to eliminate the interval from the top of the Three Forks Formation to 50 feet below the top of the Three Forks Formation, or for such other relief as is appropriate. Case No. 9232: Application of Hess Corporation for an order authorizing crude oil produced from various Bakken wells to be commingled with oil produced from the Beaver Lodge-Madison Unit, located in Williams County, ND, or for such other and further relief as is appropriate. Case No. 9233: Application of Hess Corporation for an order establishing two 1280-acre drilling units within the Tioga Field consisting of Section 1, T.157N., R.95W., Williams County, ND, and Section 6, T.157N., R.94W., Mountrail County, ND; and Section 12, T.157N., R.95W., Williams County, ND, and Section 7, T.157N., R.94W., Mountrail County, ND, and allowing a horizontal well to be drilled in the Bakken Pool in each such drilling unit at any location within said drilling units not closer than 500 feet to the boundary thereof, or for such other relief as is appropriate. Case No. 9234: Application of Hess Corporation for an order granting a flaring exemption under NDCC § 38-08-06.4 for the J. Horst #1-11H well, with a surface location in the NW/4 NW/4 Section 11, T.154N., R.93W., Mountrail County, ND. Case No. 9235: Application of Hess Corporation for an order granting a flaring exemption under NDCC § 38-08-06.4 for the Sara G. Barstad #6-44H well, with a surface location in the SW/4 SW/4 Section 6, T.154N., R.94W., Mountrail County, ND. Case No. 9236: Application of Hess Corporation for an order granting a flaring exemption under NDCC § 38-08-06.4 for the Edward Will Trust #23-44H well, with a surface location in the SW/4 SW/4 Section 23, T.157N., R.94W., Mountrail County, ND. Case No. 9237: Application of Burlington Resources Oil & Gas Co. LP for an order establishing six 1280-acre drilling units comprised of Sections 10 and 15; 11 and 14; 12 and 13; 22 and 27; 23 and 26; and 24 and 25; T.147N., R.96V., Dunn County, ND, and allowing the drilling of a horizontal well within each such drilling unit at a location not less than 500 feet from the boundary of the drilling unit, or for such other relief as is appropriate. Case No. 9238: Application of Burlington Resources Oil & Gas Co. LP for an order creating three 1280-acre drilling units comprised of Sections 27 and 34; 26 and 35; and 25 and 36, T.149N., R.97W., McKenzie County, ND, authorizing the drilling of a horizontal well within each such drilling unit at any location not closer than 500 feet to the boundary of each drilling unit; or granting such other relief as is appropriate. Case No. 9239: Application of Burlington Resources Oil & Gas Co. LP for an order extending the outline of the Blue Buttes Field to include Sections 25, 26, 27, 34, 35 and 36 of T.150N., R.96W., McKenzie County, ND, designating said Sections 27 and 34; 26 and 35; and 25 and 36 as 1280-acre spacing units in Zone III of the Blue Buttes-Bakken Pool, for which spacing has been established on the basis of one horizontal well per 1280 acres; alternatively, establishing three 1280-acre drilling units consisting of said Sections 27 and 34; 26 and 35; and 25 and 36, and allowing a horizontal well to be drilled at any location on such drilling units not closer than 500 feet to the boundary of the drilling unit; or granting such other relief as is appropriate.		
	Signed by: John Hoeven, Governor Chairman, ND Industrial Commission		
	10/26 - 600746		
Please ret			
Remarks			

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Fax: 701-223-6584

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