

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 10133  
ORDER NO. 11968

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 TO CREATE AND ESTABLISH THREE 1280-ACRE SPACING UNITS COMPRISED OF SECTIONS 3 AND 10; SECTIONS 4 AND 9; AND SECTIONS 5 AND 8, T.161N., R.95W., DIVIDE COUNTY, ND, AUTHORIZING THE DRILLING OF ONE HORIZONTAL WELL ON EACH SPACING UNIT 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 29th day of May, 2008.
- (2) The geology and engineering witnesses for 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 June 4, 2008, 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 to create and establish three 1280-acre spacing units comprised of Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, Township 161 North, Range 95 West, Divide County, North Dakota (Sections 3, 10, 4, 9, 5, and 8), authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate.
- (4) Order No. 11625 entered in Case No. 9876, the most recent spacing order for the Sadler-Bakken Pool, established proper spacing for the development of Zone I at one well per 160 acres, Zone II at one horizontal well per 640 acres, and Zone III at one horizontal well per 1280 acres.

(5) The SW/4 of Section 4, the SE/4 of Section 5, the S/2 of Section 8, and the S/2 and NW/4 of Section 9 are within the Sadler Field and within Zone I in the Sadler-Bakken Pool. Sections 3 and 10, the N/2 and SE/4 of Section 4, the N/2 and SW/4 of Section 5, the N/2 of Section 8, and the NE/4 of Section 9 are adjacent to the Sadler Field and within the buffer zone of Zone I in the Sadler-Bakken Pool.

(6) Continental presented evidence that the Sadler-Bakken Pool underlies Sections 3 and 10, the N/2 and SE/4 of Section 4, the N/2 and SW/4 of Section 5, the N/2 of Section 8, and the NE/4 of Section 9; therefore, the boundary of the Sadler Field should be extended to include such lands.

(7) The Citation Oil & Gas Corporation #2-4 Johnson well, located 600 feet from the south line and 500 feet from the west line of Section 4, is currently completed directionally in the Sadler-Bakken Pool on a spacing unit described as the SW/4 of Section 4. The Citation Oil & Gas Corporation #1-5 Nelson well, located 500 feet from the south line and 750 feet from the east line of Section 5, is currently completed vertically in the Sadler-Bakken Pool on a spacing unit described as the SE/4 of Section 5. There are no other wells currently permitted to or producing from the Sadler-Bakken Pool in Sections 3, 4, 5, 8, 9, or 10.

(8) Continental plans to develop the Bakken Pool underlying Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8 by drilling single-lateral horizontal wells from surface locations 500 feet from the north line and 1320 feet from the west line of the north sections. The casing will be set horizontally in the Bakken Pool south of the surface locations and the laterals will then be drilled to bottom hole locations 500 feet from the south line and 1320 feet from the west line of the south sections. Utilization of horizontal drilling technology in this manner would result in the wells being completed at a location or locations not in compliance with current applicable spacing orders for the Sadler-Bakken Pool. The surface and bottom hole locations herein depicted may be preliminary and could be changed for various reasons which is permissible as long as the horizontal well design still justifies the proposed spacing unit.

(9) Evidence and testimony presented to the Commission indicates that the proposed horizontal wells will produce oil that might otherwise not be produced.

(10) Allowing the Johnson #2-4 and Nelson #1-5 wells to continue to produce on their existing spacing units, described as the SW/4 of Section 4 and the SE/4 of Section 5 respectively, will provide maximum ultimate recovery from the pool in a manner that will protect correlative rights.

(11) Siting of surface locations can be difficult and limited due to rough topography, waterways, landowner concerns, and regulatory distance requirements combined with rough topography. In some instances, there may be an existing road which can be utilized thereby improving the economics of drilling a well and decreasing the necessity of building new roads which will minimize surface disturbance and enhance aesthetic values.

(12) Requiring all portions of the well bore not isolated by cement of a horizontal well drilled to be no closer than 1220 feet to the east and west boundaries of the spacing unit, increases the cost and risk associated with setting the production casing at said 1220-foot setback

in a well where surface constraints dictate locating it at a less than optimum location. This increased cost and risk is due to the necessity of deviating the normally vertical portion of the well bore and encountering potential difficulties in landing the production casing at the aforementioned 1220-foot setback requirement due to increased friction and tortuosity. Deviation of the normally vertical portion of the well bore also results in increased rod wear and less pump efficiency due to the setting depth.

(13) Flexibility with respect to siting the surface location of horizontal wells in the Sadler Field due to surface constraints will increase drilling and production efficiencies allowing the recovery of as much oil and gas as economically possible, will prevent waste and the drilling of unnecessary wells in a manner which will not have a detrimental effect on correlative rights, and will enhance landowner relationships.

(14) In order to foster, encourage, and promote the development and production of oil and gas resources, the Director should be granted authority to issue an administrative order, without holding a hearing, allowing a horizontal well drilled in Zone IV in the Sadler-Bakken Pool to be completed open hole between the 500-foot and 1220-foot setback requirements contingent upon the well bore traversing to a point beyond the 1220-foot setback requirement in an expeditious manner. Further deviation from this trajectory should be granted if the necessity therefor can be demonstrated to the Director's satisfaction.

(15) In order to foster, encourage, and promote the development and production of oil and gas resources, the Director should be granted authority to issue an administrative order, without holding a hearing, reassigning 1280-acre spacing units established in Zone III to Zone IV and in Zone IV to Zone III in the Sadler-Bakken Pool.

(16) 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.

(17) 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.

(18) Zones of different spacing within the Sadler-Bakken Pool will allow the flexibility needed for utilization of horizontal drilling.

(19) Granting 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.

(20) 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.

(21) There were no objections to this application.

(22) Approval of this application will prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, 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 IV 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 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.

(3) The Johnson #2-4 well (File No. 14407), currently completed in the Sadler-Bakken Pool, shall be allowed to continue to produce on its existing spacing unit described as the SW/4 of Section 4, Township 161 North, Range 95 West, Divide County, North Dakota.

(4) The Nelson #1-5 well (File No. 13866), currently completed in the Sadler-Bakken Pool, shall be allowed to continue to produce on its existing spacing unit described as the SE/4 of Section 5, Township 161 North, Range 95 West, Divide County, North Dakota.

(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 2, 3, 4, 5, 8, 9, 10, 11, 14, 15, 16, 17, 21, 22, 23, 26, 27, 28, 33, 34 AND 35, 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 2, 3, 4, 5, 8, 9, 10, 11, 14, 15, 16, 17, 21, 22, 23, 26, 27, 28, 33, 34 AND 35, 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 2, 11, 14, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 AND 35.

ZONE IV (Exclusively for horizontal wells)

TOWNSHIP 161 NORTH, RANGE 95 WEST, 5TH PM  
ALL OF SECTIONS 3, 4, 5, 8, 9 AND 10.

(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) Sections 2 and 11; Sections 14 and 23; Sections 15 and 22, Sections 16 and 21; Sections 26 and 35; Sections 27 and 34; and Sections 28 and 33, Township 161 North, Range 95 West, Divide County, North Dakota, are hereby designated 1280-acre spacing units in Zone III in the Sadler-Bakken Pool.

(20) Spacing units hereafter created in Zone III in the Sadler-Bakken Pool shall consist of two adjacent governmental sections or governmental lots corresponding thereto.

(21) The Director is hereby authorized to issue an administrative order reassigning 1280-acre spacing units established in Zone IV to Zone III in the Sadler-Bakken Pool, whenever, in his opinion, an application for such an order contains sufficient information to determine the following:

- (a) Horizontal drilling technology will be utilized in the Bakken Pool.
- (b) The 1280-acre spacing unit currently exists in Zone IV in the Sadler-Bakken Pool.
- (c) The proposed horizontal well design complies with the setback requirements in Zone III in Sadler-Bakken Pool and justifies the 1280-acre spacing unit.

(22) Zone III in the Sadler-Bakken Pool shall not be extended except under the provisions of paragraph (21) above or by further order of the Commission after due notice and hearing.

(23) Provisions established herein for Zone IV 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 IV in paragraph (6) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.

(24) The proper spacing for the development of Zone IV in the Sadler-Bakken Pool is hereby set at one horizontal well per 1280 acres.

(25) All portions of the well bore not isolated by cement of any horizontal well hereafter drilled in Zone IV in the Sadler-Bakken Pool shall be no closer than 1220 feet to the east and west boundaries and 500 feet to the north and south boundaries of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(26) The Director is hereby authorized to issue an administrative order granting a waiver allowing a horizontal well permitted or drilled in the Sadler-Bakken Pool to be completed open hole at less than the 1220-foot setback requirement for topographic or access reasons, contingent upon the well bore traversing to a point beyond the 1220-foot setback requirement in an expeditious manner, whenever, in his opinion, the application for such an order contains sufficient information to determine the following:

- (a) Horizontal drilling technology will be utilized in the Bakken Pool.
- (b) The proposed production casing setting location is beyond a 500-foot setback requirement.
- (c) Topography, waterways, regulatory distance requirements combined with the rough topography, road access, or landowner concerns will substantially increase the cost and/or risk in drilling and producing the well.
- (d) Further deviation from the aforementioned expeditious trajectory may be granted if the necessity therefor can be demonstrated to the Director's satisfaction.

(27) Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, Township 161 North, Range 95 West, Divide County, North Dakota, are hereby designated 1280-acre spacing units in Zone IV in the Sadler-Bakken Pool.

(28) Spacing units hereafter created in Zone IV in the Sadler-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

(29) The Director is hereby authorized to issue an administrative order reassigning 1280-acre spacing units established in Zone III to Zone IV in the Sadler-Bakken Pool, whenever, in his opinion, an application for such an order contains sufficient information to determine the following:

- (a) Horizontal drilling technology will be utilized in the Bakken Pool.
- (b) The 1280-acre spacing unit currently exists in Zone III in the Sadler-Bakken Pool.
- (c) The proposed horizontal well design complies with the setback requirements in Zone IV in the Sadler-Bakken Pool and justifies the 1280-acre spacing unit.

(30) Zone IV in the Sadler-Bakken Pool shall not be extended except under the provisions of paragraph (29) above or by further order of the Commission after due notice and hearing.

(31) 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.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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.

(37) 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.

(38) 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. The Director is authorized to issue an administrative order allowing unrestricted production at a maximum efficient rate for a period not to exceed 90 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, if the necessity therefor can be demonstrated to his satisfaction.

(39) 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.

(40) 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 25th day of June, 2008.

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

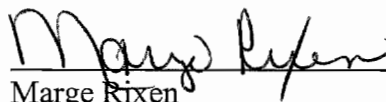
I, Marge Rixen, being duly sworn upon oath, depose and say: That on the 2nd day of July, 2008 enclosed in separate envelopes true and correct copies of the attached Order No. 11968 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 10133 :

LAWRENCE BENDER  
FREDRICKSON & BYRON  
PO BOX 1855  
BISMARCK ND 58502-1855

MICHAEL BOOZE  
CONTINENTAL RESOURCES INC  
PO BOX 1032  
ENID OK 73702-1032

CHASE REID  
CONTINENTAL RESOURCES INC  
PO BOX 1032  
ENID OK 73702-1032

KEN SMITH  
CONTINENTAL RESOURCES INC  
PO BOX 1032  
ENID OK 73702-1032

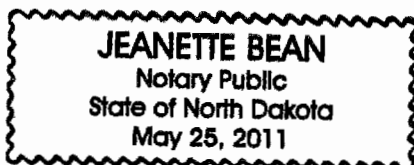


Marge Rixen  
Oil & Gas Division

On this 2nd day of July, 2008 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



June 2, 2008

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



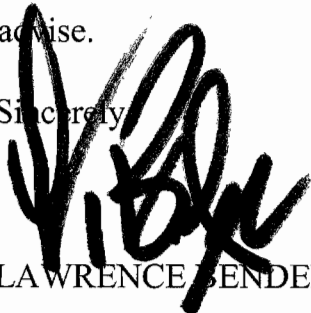
**RE: Continental Resources, Inc.  
NDIC CASE NO. 10133**

Dear Mr. Hicks:

Please find enclosed herewith for filing the TELEPHONIC COMMUNICATION AFFIDAVITS for the above-captioned matter.

Should you have any questions, please advise.

Sincerely,



LA WRENCE BENDER

LB/leo

Enclosure

cc: Ms. Beth Steier - (w/enc.) *Via Email*

Attorneys & Advisors  
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Bismarck, North Dakota  
58501-3879

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 10133

Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool so as to create and establish three 1280-acre spacing units comprised of Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8-T161N-R95W, Divide County, North Dakota, authorizing the drilling of one horizontal well on each spacing unit and/or such other and further relief as appropriate.



TELEPHONIC COMMUNICATION AFFIDAVIT

Ken Smith being first duly sworn deposes and states as follows: That on May 29, 2008, I testified under oath before the North Dakota Industrial Commission in Case Number 10133. 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.

*Ken Smith*  
\_\_\_\_\_  
Ken Smith

STATE OF OKLAHOMA     )  
  )ss:  
COUNTY OF GARFIELD    )

On May 29, 2008, Ken Smith 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.



*Beth A. Steier*  
\_\_\_\_\_  
Beth A. Steier, Notary Public  
County of Garfield, State of Oklahoma  
My Commission Expires: March 28, 2011

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

Case No. 10133

Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool so as to create and establish three 1280-acre spacing units comprised of Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8-T161N-R95W, Divide County, North Dakota, authorizing the drilling of one horizontal well on each spacing unit and/or such other and further relief as appropriate.



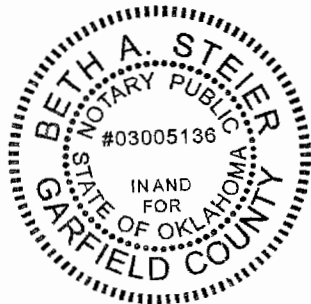
TELEPHONIC COMMUNICATION AFFIDAVIT

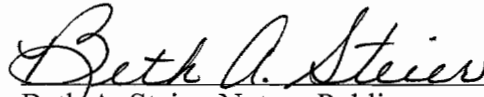
Chase Reid being first duly sworn deposes and states as follows: That on May 29, 2008, I testified under oath before the North Dakota Industrial Commission in Case Number 10133. My testimony was presented by telephone from (580) 233-8955, at the offices of and on behalf of Continental Resources, Inc., 302 N. Independence Avenue, Enid, Oklahoma 73702-1032.

  
Chase Reid

STATE OF OKLAHOMA     )  
  )ss:  
COUNTY OF GARFIELD    )

On May 29, 2008, Chase Reid 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.



  
Beth A. Steier, Notary Public  
County of Garfield, State of Oklahoma  
My Commission Expires: March 28, 2011



**Case No. 10130**

Application for an order amending the field rules for the Keene-Bakken/Three Forks Pool to create a 1280-acre spacing unit  
Sections 3 & 10-T152N-R96W  
McKenzie County, North Dakota

**Case No. 10131**

Application for an order extending the field boundaries and amending the field rules for the North Fork-Bakken Pool to create and establish two 1280-acre spacing units  
Sections 30 & 31-T149N-R96W  
Sections 25 & 36-T150N-R97W  
McKenzie County, North Dakota

**Case No. 10132**

Application for an order extending the field boundaries and amending the field rules for the Dolphin-Bakken Pool to create and establish a 1280-acre spacing unit  
Sections 18 & 19-T161N-R95W  
Divide County, North Dakota

**Case No. 10133**

Application for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool to create and establish three 1280-acre spacing units  
Sections 3 & 10-T161N-R95W  
Sections 4 & 9-T161N-R95W  
Sections 5 & 8-T161N-R95W  
Divide County, North Dakota

**Case No. 10134**

Application for an order extending the field boundaries and amending the field rules for the Hamlet-Bakken Pool to create and establish a 1280-acre spacing unit  
Sections 26 & 35-T160N-R96W  
Divide County, North Dakota

**Case No. 10136**

Application for an order creating two 1280-acre drilling units  
Sections 5 & 8-T161N-R94W  
Sections 15 & 22-T161N-R94W  
Burke County, North Dakota

**Case No. 10138**

Application for an order creating a 1280-acre drilling unit  
Sections 25 & 36-T159N-R95W  
Williams County, North Dakota

**Case No. 10139**

Application for an order creating two 1280-acre drilling units  
Sections 3 & 10-T151N-R97W  
Sections 4 & 9-T151N-R97W  
McKenzie County, North Dakota

**Case No. 10140**

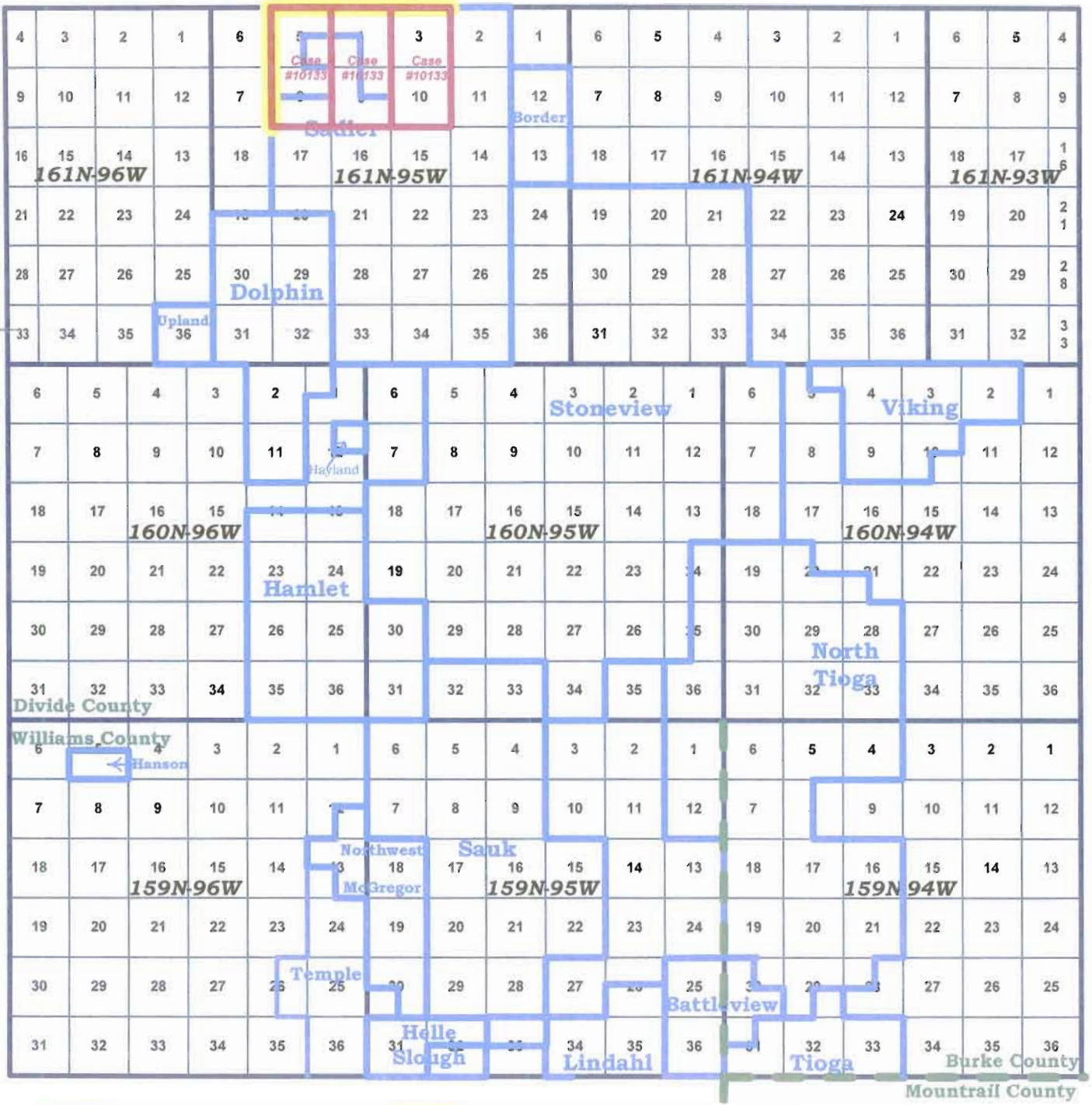
Application for an order creating two 1280-acre drilling units  
Sections 6 & 7-T150N-R96W  
Sections 1 & 12-T150N-R97W  
McKenzie County, North Dakota




**Case No. 10141**

Application for an order creating a 1280-acre drilling unit  
Sections 18 & 19-T150N-R96W  
McKenzie County, North Dakota

Before the  
North Dakota Industrial Commission  
May 29, 2008





-  Field Outlines
-  Proposed Spacing Units
-  County Boundaries

 Extend Field Boundary

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

DATE 5/21/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-1  
Identified By Booze

# General Locator Map

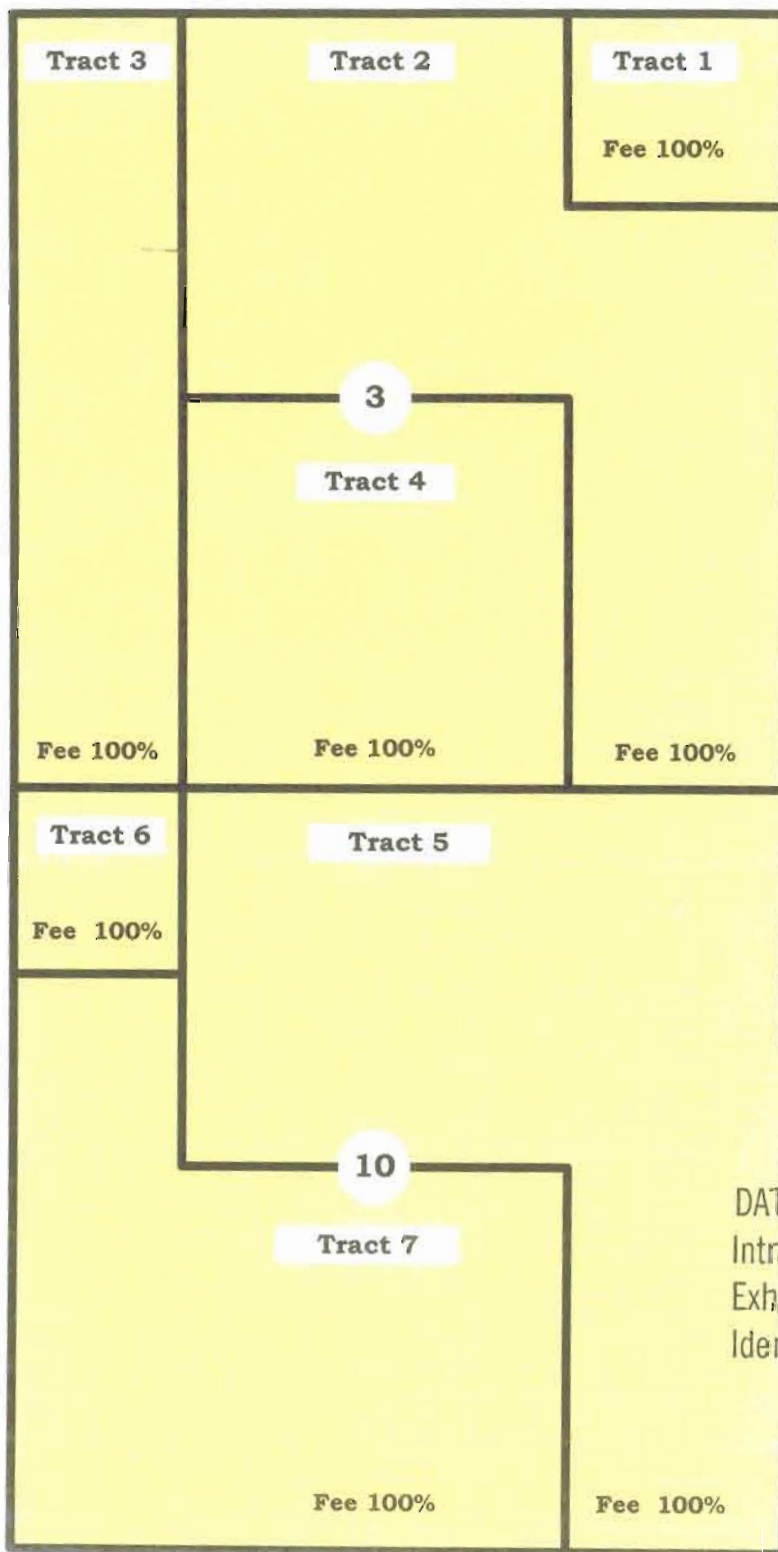


Continental  
RESOURCES

Exhibit L-1  
Case No. 10133

# Land Plat

Township 161 North, Range 95 West  
All of Sections 3 and 10  
Divide County, North Dakota



Unit Acreage Total - 1280.32 Acres

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-2  
Identified By Booge



Exhibit L-2  
Case No. 10133

# Ownership Summary

Township 161 North, Range 95 West  
All of Sections 3 and 10  
Divide County, North Dakota

## Working Interest in Unit Area

### Leasehold Owner

### Interest

Continental Resources, Inc.	50.96%
Samson Resources Company	37.75%
Wheatland Oil, Inc.	4.72%
Headington Oil Company, LLC	4.07%
Earl Schwartz Company	1.56%
Ray Reid	0.94%

## Leasehold Ownership

### Tract 1: Lot 1 of Section 3-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

### Tract 2: Lots 2, 3, S2NE4, SE4NW4, E2SE4 of Section 3-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

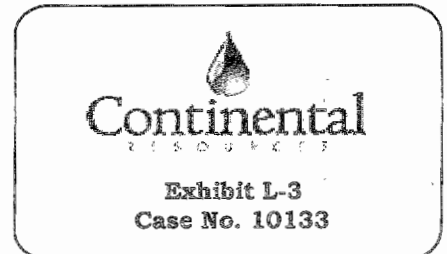
### Tract 3: Lot 4, SW4NW4, W2SW4 of Section 3-161N-95W, 5<sup>th</sup> PM

Headington Oil Company, LLC	32.55%
Continental Resources, Inc.	29.68%
Samson Resources Co.	21.98%
Earl Schwartz Company	12.49%
Wheatland Oil, Inc.	2.75%
Ray Reid	0.55%

### Tract 4: E2SW4, W2SE4 of Section 3-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-3  
Identified By Booke



**Tract 5: NE4, E2NW4, E2SE4 of Section 10-161N-95W, 5<sup>th</sup> PM**

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

**Tract 6: NW4NW4 of Section 10-161N-95W, 5<sup>th</sup> PM**

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

**Tract 7: SW4NW4, SW4, W2SE4 of Section 10-161N-95W 5<sup>th</sup> PM**

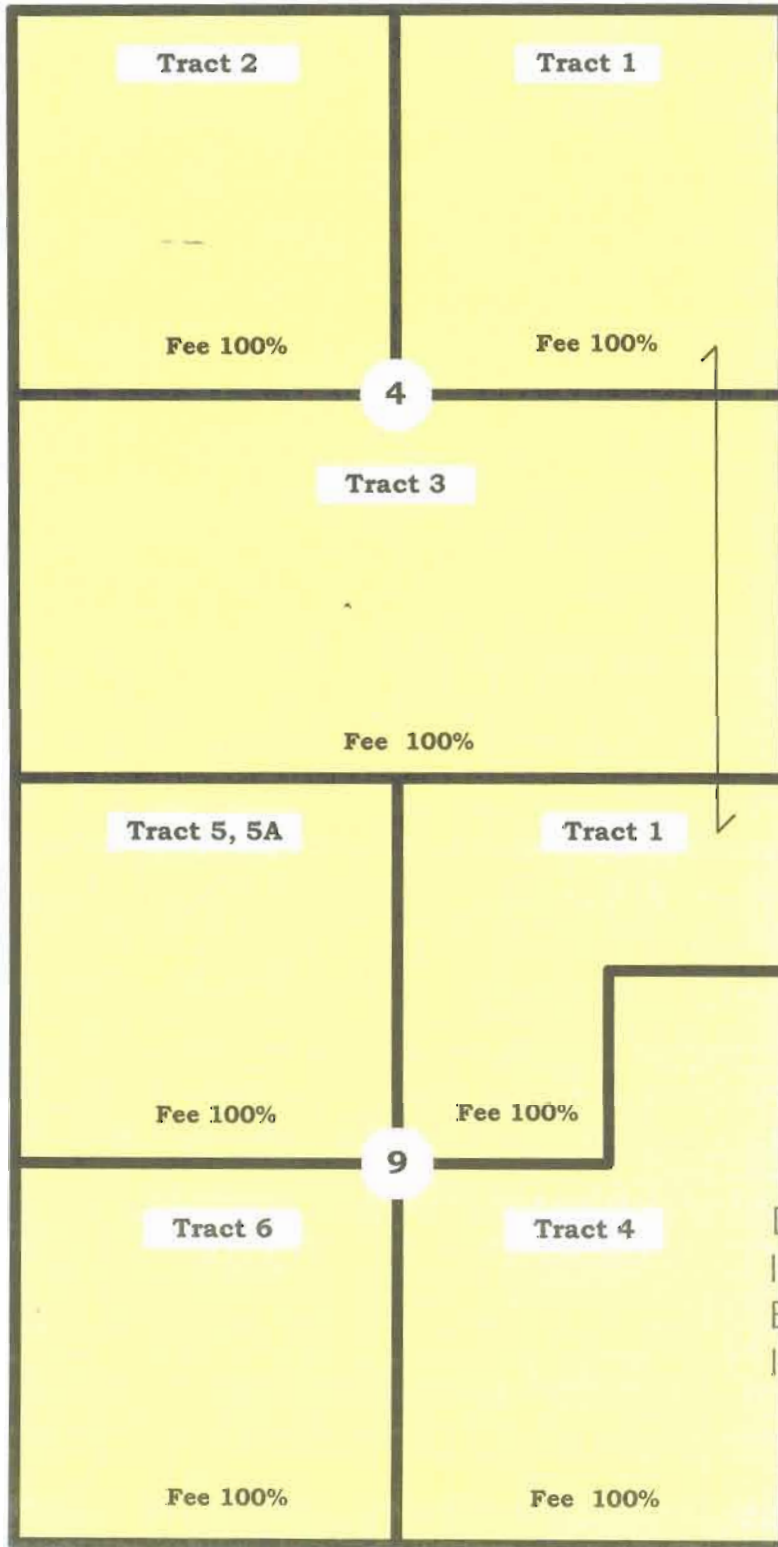
Continental Resources Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%



Exhibit L-3  
Case No. 10133

# Land Plat

Township 161 North, Range 95 West  
All of Sections 4 and 9  
Divide County, North Dakota



Unit Acreage Total - 1279.60 Acres

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-4  
Identified By Boez



Exhibit L-4  
Case No. 10133

# Ownership Summary

Township 161 North, Range 95 West  
All of Sections 4 and 9  
Divide County, North Dakota

## Working Interest in Unit Area

<u>Leasehold Owner</u>	<u>Interest</u>
Continental Resources, Inc.	33.74%
Samson Resources Company	25.00%
Citation 2004 Investments, LLP	20.40%
South Fork Exploration, LLC	12.50%
Wheatland Oil, Inc.	3.12%
Abraxas Operating, LLC	2.34%
As Is Investments, LLC	2.27%
Ray Reid	0.63%

## Leasehold Ownership

### Tract 1: Lots 1, 2, S2NE4 of Section 4 & N2NE4, SW4NE4 of Section 9-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

### Tract 2: Lots 3, 4, S2NW4 of Section 4-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

### Tract 3: S2 of Section 4-161N-95W, 5<sup>th</sup> PM

Citation 2004 Investments, LLP	81.56%
Abraxas Operating, LLC	9.38%
As Is Investments, LLC	9.06%

### Tract 4: SE4NE4, SE4 of Section 9-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

INDUSTRIAL COMMISSION

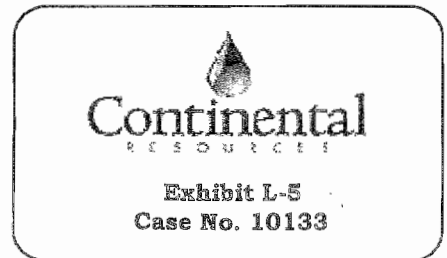
STATE OF NORTH DAKOTA

DATE 5/29/08 CASE NO. 10133

Introduced By Continental

Exhibit L-5

Identified By Booze





**Tract 5: NW4 less a 2.2125 acre tract more fully described in Book 29 Deeds, Page 583 and less a 0.7275 acre tract more fully described in Book 36 Deeds, Page 125 of Section 9-161N-95W, 5<sup>th</sup> PM**

South Fork Exploration, LLC 100.00%

**Tract 5A: A 2.2125 acre tract in the NW4 more fully described in Book 29 Deeds, Page 583 and a 0.7275 acre tract in the NW4 more fully described in Book 36 Deeds, Page 125 of Section 9-161N-95W, 5<sup>th</sup> PM**

South Fork Exploration, LLC 100.00%

**Tract 6: SW4 of Section 9-161N-95W, 5<sup>th</sup> PM**

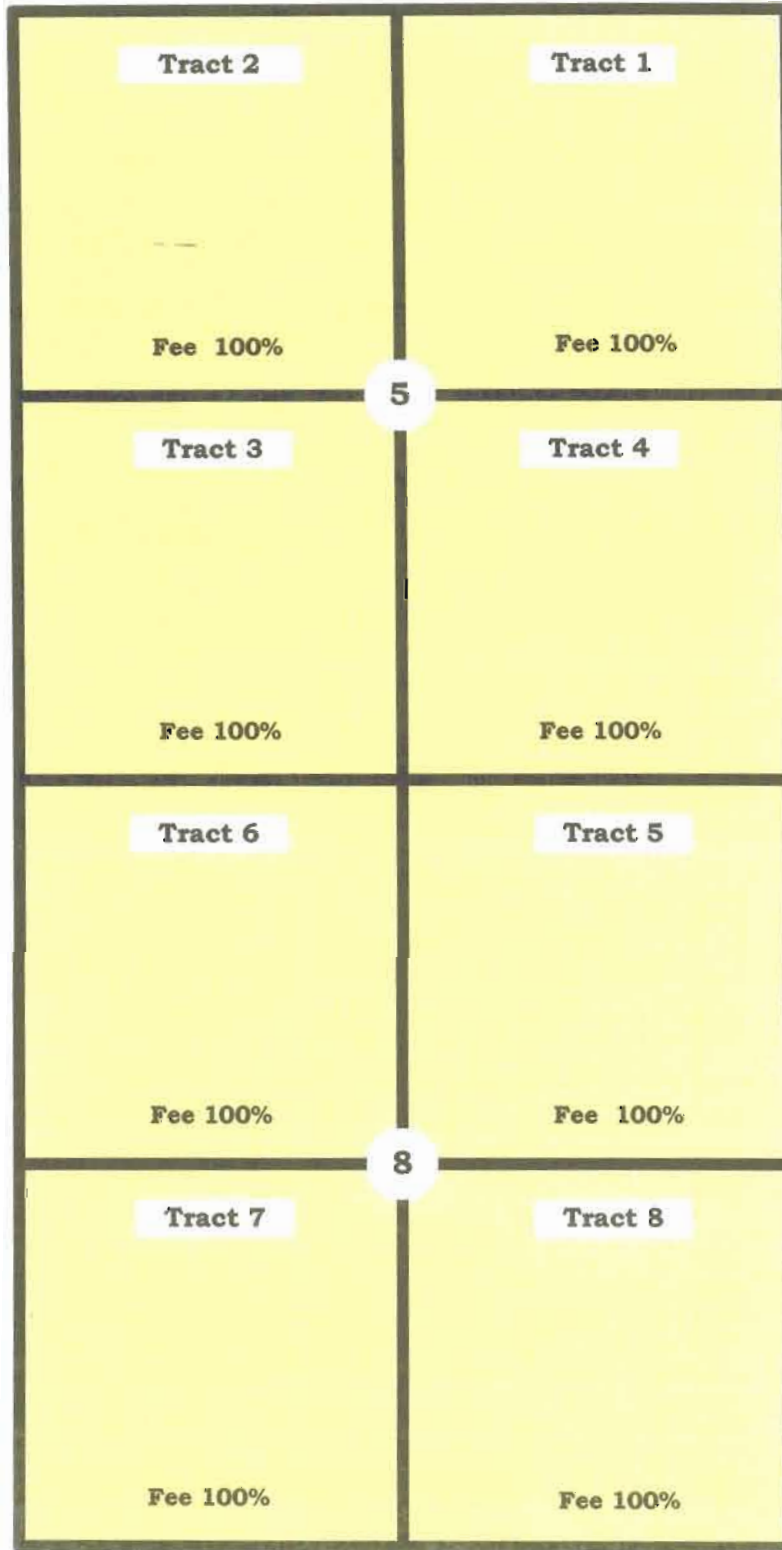
Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%



Exhibit L-5  
Case No. 10133

# Land Plat

Township 161 North, Range 95 West  
All of Sections 5 and 8  
Divide County, North Dakota



Unit Acreage Total - 1278.40 Acres

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-6  
Identified By Booze





# Ownership Summary

Township 161 North, Range 95 West

All of Sections 5 and 8

Divide County, North Dakota

## Working Interest in Unit Area

### Leasehold Owner

	<u>Interest</u>
Continental Resources, Inc.	40.27%
Samson Resources Company	29.83%
Springfield Oil Company	12.52%
Citation 2004 Investments, LLP	7.04%
Abraxas Operating, LLC	4.69%
Wheatland Oil, Inc.	3.73%
As Is Investments, LLC	0.78%
Ray Reid	0.75%
Dorchester Minerals, Inc.	0.39%

## Leasehold Ownership

### Tract 1: Lots 1, 2, S2NE4 of Section 5-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

### Tract 2: Lots 3, 4, S2NW4 of Section 5-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

### Tract 3: SW4 of Section 5-161N-95W, 5<sup>th</sup> PM

Springfield Oil Company	100.00%
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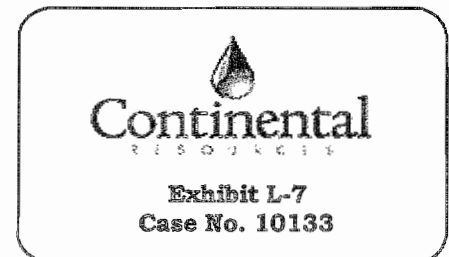
### Tract 4: SE4 of Section 5-161N-95W, 5<sup>th</sup> PM

Citation 2004 Investments, LLP	56.25%
Abraxas Operatin, LLC	37.50%
As Is Investments, LLC	6.25%

### Tract 5: NE4 of Section 8-161N-95W, 5<sup>th</sup> PM

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit L-7  
Identified By Boek



**Tract 6: NW4 of Section 8-161N-95W, 5<sup>th</sup> PM**

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

**Tract 7: SW4 of Section 8-161N-95W, 5<sup>th</sup> PM**

Continental Resources, Inc.	54.00%
Samson Resources Company	40.00%
Wheatland Oil, Inc.	5.00%
Ray Reid	1.00%

**Tract 8: SE4 of Section 8-161N-95W, 5<sup>th</sup> PM**

Continental Resources, Inc.	52.31%
Samson Resources Company	38.75%
Wheatland Oil, Inc.	4.84%
Dorchester Minerals, LP	3.13%
Ray Reid	0.97%



Exhibit L-7  
Case No. 10133



 BAKKEN PRODUCERS

INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA  
 DATE 5/29/08 CASE NO. 10133  
 Introduced By Continental  
 Exhibit 6-1  
 Identified By Reid

<b>Continental Resources Inc.</b>		
Top Bakken Structure C.I. = 20' Case #10133 Exhibit G-1		
Chase Reid		Date: 7 May, 2008
NDC #10133.gm		

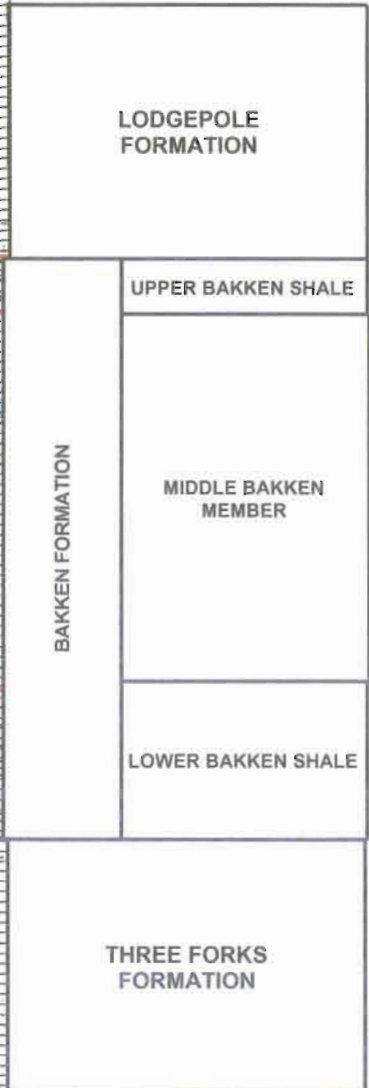


33023004290000

CITATION OIL & GAS C  
NELSON #1-5 1

SE SE

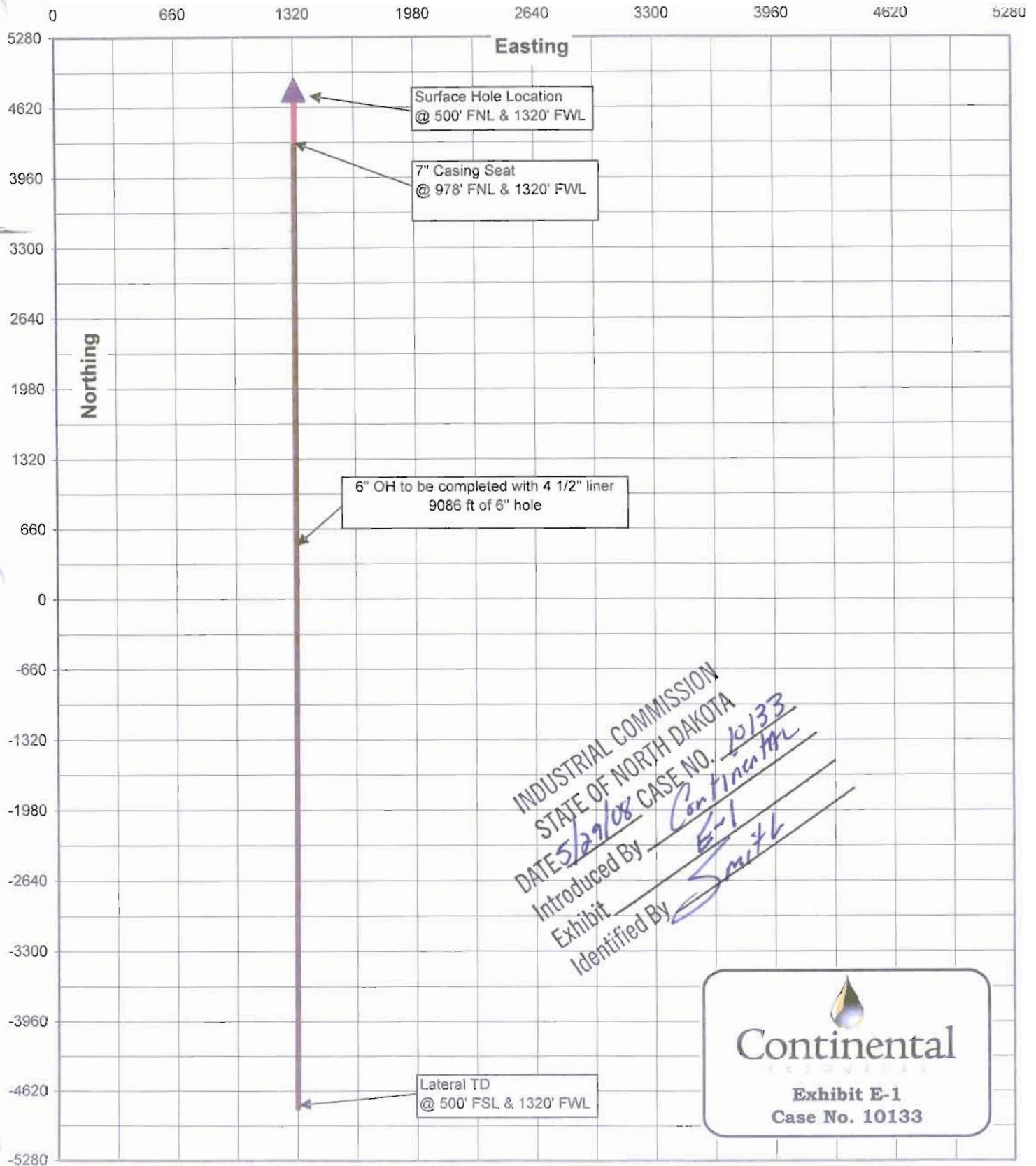
TWP: 161N - Range: 95 W - Sec. 5  
Field=SADLER



INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit G-2  
Identified By Reid

Continental Resources, Inc.  
Type Log  
Case #10133  
Exhibit G-2

Continental Resources, Inc  
1280-acre Spacing Unit  
Wellbore Schematic



4 1/2 in Liner

▲ Surface Hole Location

7 in. Cased Section

**Continental Resources, Inc.**  
**1280 Acre Spacing Unit**  
**Rossow 1-10H**  
**Section 3 & 10-161N-95W**  
**Divide County, North Dakota**

**RESERVES BASIS:**

Reservoir	Bakken	
Initial Rate	300	BOPD
Final rate	3	BOPD
Decline Rate	95	%
Exponent	1.5	
GOR	1000-2000	SCF/BBL

**GROSS ECONOMICS**

Oil Price	100	\$/bbl
Gas Price	9	\$/mcf
Drilling Costs	5,000	M\$
Operating Cost	4,100	\$/month
Working Interest	100	%
Revenue Interest	80	%
EUR Oil	314	MBO
EUR Gas	413	MMCF
PV@10%	6,631	M\$
IRR	55.8	%
Payout	1.95	Years

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit E-2  
Identified By Smith



**Continental Resources, Inc.**  
**1280 Acre Spacing Unit**  
**Tanberg 1-4H**  
**Sections 4 & 9-161N-95W**  
**Divide County, North Dakota**

**RESERVES BASIS:**

Reservoir	Bakken	
Initial Rate	300	BOPD
Final rate	3	BOPD
Decline Rate	95	%
Exponent	1.5	
GOR	1000-2000	SCF/BBL

**GROSS ECONOMICS**

Oil Price	100	\$/bbl
Gas Price	9	\$/mcf
Drilling Costs	5,000	M\$
Operating Cost	4,100	\$/month
Working Interest	100	%
Revenue Interest	80	%
EUR Oil	314	MBO
EUR Gas	413	MMCF
PV@10%	6,631	M\$
IRR	55.8	%
Payout	1.95	Years

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit E-3  
Identified By Smith



**Continental Resources, Inc.**  
**1280 Acre Spacing Unit**  
**Melby 1-8H**  
**Sections 5 & 8-161N-95W**  
**Divide County, North Dakota**

**RESERVES BASIS:**

Reservoir	Bakken	
Initial Rate	300	BOPD
Final rate	3	BOPD
Decline Rate	95	%
Exponent	1.5	
GOR	1000-2000	SCF/BBL

**GROSS ECONOMICS**

Oil Price	100	\$/bbl
Gas Price	9	\$/mcf
Drilling Costs	5,000	M\$
Operating Cost	4,100	\$/month
Working Interest	100	%
Revenue Interest	80	%
EUR Oil	314	MBO
EUR Gas	413	MMCF
PV@10%	6,631	M\$
IRR	55.8	%
Payout	1.95	Years

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 5/29/08 CASE NO. 10133  
Introduced By Continental  
Exhibit E-4  
Identified By Smith





April 16, 2008

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 3 and 10, Sections 4 and 9,  
and Sections 5 and 8-T161N-R95W,  
Divide County, ND**

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 advise.

Sincerely,  
  
LAWRENCE BENDER

LB/leo  
Enclosure

cc: Ms. Karlene Fine - (w/enc.)  
Mr. Lynn Helms - (w/enc.)  
Ms. Cynthia Wagner Goulet - (w/enc.)  
Mr. Jim Canon - (w/enc.)

Attorneys & Advisors  
main 701.221.4020  
fax 701.221.4040  
www.fredlaw.com

Fredrikson & Byron, P.A.  
200 North Third Street, Suite 150  
Bismarck, North Dakota  
58501-3879

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

Case No. 10133

**Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool so as to create and establish three 1280-acre spacing units comprised of Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8-T161N-R95W, Divide County, North Dakota, authorizing the drilling of one horizontal well on each spacing unit and/or such other and further relief as appropriate.**



**APPLICATION OF CONTINENTAL RESOURCES, INC.**

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

1.

That Continental is the owner of an interest in the oil and gas leasehold estate in Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8, Township 161 North, Range 95 West, Divide County, North Dakota (the “Subject Lands”).

2.

That the Subject Lands are near the area defined by the Commission as the field boundaries for the Sadler-Bakken Pool.

3.

That Continental desires to utilize the horizontal drilling technique to further develop the Sadler-Bakken Pool underlying the above described property.

4.

That it is the opinion of Continental that use of the horizontal drilling technique to further develop the Sadler-Bakken Pool underlying the above described property will increase the ultimate recovery of the reservoir.

5.

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

6.

That in order to prevent waste, to avoid the drilling of unnecessary wells and to protect correlative rights, the field boundaries for the Sadler-Bakken Pool should be extended and three 1280-acre spacing units should be created and established for the Sadler-Bakken Pool for Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8, Township 161 North, Range 95 West, authorizing the drilling of one horizontal well on each spacing unit.

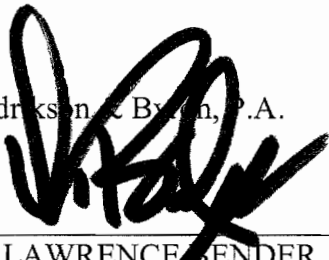
7.

That Continental, therefore, requests that the Commission extend the field boundaries and amend the field rules for the Sadler-Bakken Pool so as to create and establish three 1280-acre spacing units comprised of Sections 3 and 10, Sections 4 and 9, and Sections 5 and 8, Township 161 North, Range 95 West, Divide County, North Dakota, and authorizing the drilling of one horizontal well on each spacing unit and/or such other and further relief as the Commission deems appropriate.

**WHEREFORE**, Continental requests the following: .

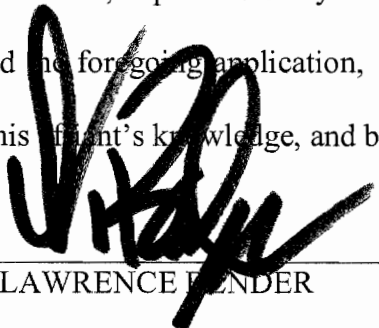
- (a) That this matter be set for the regular May 2008 hearing date;
- (b) That the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate; and
- (c) That pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code, Continental's witnesses in this matter be allowed to participate by telephonic means.

DATED this 16 day of April, 2008.

Fredrickson & Byron, P.A.  
  
 By \_\_\_\_\_  
 LAWRENCE BENDER, ND Bar #03908  
*Attorneys for Applicant, Continental Resources, Inc.*  
 200 North 3<sup>rd</sup> Street, Suite 150  
 P. O. Box 1855  
 Bismarck, ND 58502-1855  
 (701) 221-4021

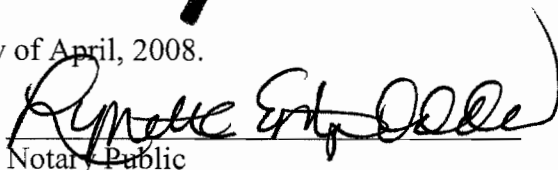
STATE OF NORTH DAKOTA )  
 ) ss.  
 COUNTY OF BURLEIGH )

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 applicant's knowledge, and belief.

  
 \_\_\_\_\_  
 LAWRENCE BENDER

Subscribed and sworn to before me this 16 day of April, 2008.



  
 \_\_\_\_\_  
 Notary Public  
 Burleigh County, North Dakota  
 My Commission Expires:



ing such further relief as Case No. 10131: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the North Fork-Bakken Pool to create and establish two 1280-acre spacing units comprised of Sections 30 and 31, T.149N., R.96W. and Sections 25 and 36, T.150N., R.97W., McKenzie County, ND, authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate. Case No. 10132: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Dolphin-Bakken Pool to create and establish a 1280-acre spacing unit comprised of Sections 18 and 19, T.161N., R.95W., Divide County, ND, authorizing the drilling of one horizontal well on said spacing unit and such other relief as is appropriate. Case No. 10133: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool to create and establish three 1280-acre spacing units comprised of Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, T.161N., R.95W., Divide County, ND, authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate. Case No. 10134: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Hamlet-Bakken Pool to create and establish two 1280-acre spacing units comprised of Sections 13 and 24 and Sections 26 and 35, T.160N., R.96W., Divide County, ND, authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate. Case No. 10135: 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 Lila #1-36H, described as Section 36, T.161N., R.95W., Stoneview-Winnepigosis Pool, Divide 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. 10136: Application of Continental Resources, Inc. for an order creating two 1280-acre drilling units comprised of Sections 5 and 8 and Sections 15 and 22, T.161N., R.94W., Burke County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10137: Application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 13 and 24, T.159N., R.96W., Williams 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 each drilling unit and such other relief as is appropriate. Case No. 10138: Application of Continental Resources, Inc. for an order creating two 1280-acre drilling units comprised of Sections 25 and 36 and Sections 27 and 34, T.159N., R.95W., Williams County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10139: Application of Continental Resources, Inc. for an order creating two 1280-acre drilling units comprised of Sections 3 and 10 and Sections 4 and 9, T.151N., R.97W., McKenzie County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10140: Application of Continental Resources, Inc. for an order creating two 1280-acre drilling units comprised of Sections 6 and 7, T.150N., R.96W. and Sections 1 and 12, T.150N., R.97W., McKenzie County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10141: Application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 18 and 19, T.150N., R.96W., McKenzie 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 each drilling unit and such other relief as is appropriate. Case No. 9815: (Continued) Application of Continental Resources, Inc. for an order creating a 1280-acre drilling unit comprised of Sections 6 and 7, T.149N., R.95W., McKenzie 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 said drilling unit and for such other relief as is appropriate. Case No. 10081: (Continued) 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 Titterude #1-3H, Section 3, T.160N., R.95W., Stoneview-Winnepigosis Pool, Divide 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. 10142: Application of Anschutz Exploration Corp. for an order extending the field boundaries and amending the field rules for the Russian Creek-Bakken Pool to create five 1280-acre stand-up spacing units comprised of Section 6, T.141N., R.96W., and Section 31, T.142N., R.96W.; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33; Sections 29 and 32, T.142N., R.96W.; Dunn County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10143: Application of Anschutz Exploration Corp. for an order authorizing the recompletion of the Kadras #11-25H well into the Russian Creek-Madison Pool at a location approximately 200 feet from the north line and 300 feet from the west line of Section 25, T.142N., R.97W., Dunn County, ND, as an exception to the field rules for the Russian Creek-Madison Pool and such other relief as is appropriate. Case No. 10065: (Continued) Proper spacing for the development of the Russian Creek-Bakken Pool, Dunn County, ND, redefine the field limits, and enact such special field rules as may be necessary. Ansbro Petroleum Co., LLC Case No. 10144: Application of Sage Petroleum LLC for an order creating a 1280-acre drilling unit comprised of Sections 5 and 8, T.150N., R.96W., McKenzie 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 said drilling unit and such other relief as is appropriate. Case No. 10145: Application of Sage Petroleum LLC for an order amending the field rules for the North Fork-Bakken Pool to create a 1280-acre spacing unit comprised of Sections 26 and 35, T.150N., R.97W., McKenzie County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10146: Application of Headington Oil Co. LLC for an order extending the field boundaries and amending the field rules for the North Fork-Bakken Pool to create a 1280-acre spacing unit comprised of Sections 20 and 21, T.149N., R.97W., McKenzie County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10147: Application of Headington Oil Co. LLC for an order authorizing the drilling, completing and producing of an increase density well on a 1280-acre spacing unit in the St. Demetrius-Bakken Pool described as Sections 35 and 36, T.142N., R.99W., Billings County, ND, and such other relief as is appropriate. Case No. 10148: Application of Headington Oil Co. LLC for an order authorizing the drilling, completing and producing of an increase density well on a 1280-acre spacing unit in the St. Demetrius-Bakken Pool described as Sections 15 and 22, T.142N., R.99W., Billings County, ND, and such other relief as is appropriate. Case No. 10149: Application of Headington Oil Co. LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Langager #14X-5, Sections 5 and 8, T.157N., R.95W., Midway-Bakken Pool, Williams 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. 10150: Application of Headington Oil Co. LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Davidson #14X-34, Sections 14 and 15, T.157N., R.95W., Toga-Bakken Pool, Williams 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. 10151: Application of

Headington Oil Co. LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Hazel #44X-22, Sections 22 and 27, T.155N., R.95W., Capa-Bakken Pool, Williams 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. 10152: Application of Headington Oil Co. LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Farm #44X-7, Sections 6 and 7, T.154N., R.95W., Hoffund-Bakken Pool, Williams 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. 10153: Application of Encore Operating, L.P. for an order creating two 1280-acre drilling units comprised of Sections 16 and 21, T.150N., R.100W. and Sections 22 and 27, T.152N., R.99W., McKenzie County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10154: Application of Encore Operating, L.P. for an order creating five 1280-acre drilling units comprised of Sections 9 and 16 and Sections 25 and 36, T.150N., R.98W., Sections 16 and 21 and Sections 25 and 36, T.151N., R.98W., and Sections 9 and 16, T.151N., R.99W., McKenzie County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10155: Application of Encore Operating, L.P. for an order creating three 1280-acre drilling units comprised of Sections 16 and 21, Sections 18 and 19, and Sections 26 and 35, T.132N., R.103W., Bowman County, ND, authorizing the drilling of a horizontal well within each drilling unit at a location not less than 500 feet from the boundary of each drilling unit and such other relief as is appropriate. Case No. 10156: Application of Encore Operating, L.P. for an order extending the field boundaries and amending the field rules for the Cold Turkey Creek-Red River Pool to create a 1280-acre spacing unit comprised of Sections 30 and 31, T.130N., R.102W., Bowman County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 9991: (Continued) Application of Encore Operating, L.P. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Rogne #11-35H, Section 35, T.145N., R.95W., Murphy Creek-Bakken Pool, Dunn 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. 10157: Application of Prima Exploration, Inc. for an order extending the field boundaries and amending the field rules for the Lakeside-Midale/Nesson Pool to create an 800-acre spacing unit comprised of Lots 3 and 4, S/2 NW/4, S/2 of Section 2 and E/2 of Section 3, T.163N., R.89W., Burke County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10158: Application of Prima Exploration, Inc. for an order extending the field boundaries and amending the field rules for the Lakeside-Midale/Nesson Pool to create a 480-acre spacing unit comprised of the S/2 and the S/2 N/2 (except 2.5-acre tract) (totaling 477.50 acres) of Section 12, T.163N., R.89W., Burke County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10159: Application of Prima Exploration, Inc. for an order extending the field boundaries and amending the field rules for the Woburn-Madison Pool to create a 640-acre spacing unit comprised of Section 31, T.163N., R.90W., Burke County, ND, authorizing the drilling of a horizontal well within said spacing unit not less than 500 feet to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10160: Application of Summit Resources, Inc. for an order creating a 320-acre drilling unit comprised of the SE/4 of Section 32 and the SW/4 of Section 33, T.141N., R.102W., Billings County, ND, authorizing the drilling of a vertical well within said drilling unit at a location approximately 740 feet from the south line and 312 feet from the west line of Section 33 and such other relief as is appropriate. Case No. 10161: Application of Summit Resources, Inc. for an order authorizing the drilling, completing and producing of the Ash Coulee #2-2H well into the Ash Coulee-Bakken Pool at a location approximately 663 feet from the north line and 651 feet from the east line of Section 2, T.142N., R.102W., Billings County, ND, as an exception to the field rules for the Ash Coulee-Bakken Pool and such other relief as is appropriate. Case No. 10162: Application of Eagle Operating, Inc. in accordance with NDAC § 43-02-03-88.1, for an order authorizing the conversion of the E-M Cleone #29-5 well, SWNW of Section 29, T.163N., R.87W., Renville County, ND, into a salt water disposal well for the purpose of injecting fluids into the Dakota Group pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate. Case No. 10030: (Continued) Application of Eagle Operating, Inc. for an order extending the field boundaries and amending the field rules for the Newporte-Cambro-Ordovician Pool to create a 320-acre spacing unit comprised of the S/2 of Section 33, T.164N., R.87W., Renville County, ND, authorizing the drilling of a vertical well within said spacing unit at a location approximately 2300 feet from the east line and 1600 feet from the south line to the boundary of said spacing unit and such other relief as is appropriate. Case No. 10059: (Continued) Application of Citation Oil & Gas Corp. for an order amending the field rules for the Cimbel-Madison Pool to allow the Lavone #1-29, NWNW of Section 29, T.163N., R.78W., Bottineau County, ND, to be reentered and authorizing 4 hydraulic slim hole laterals to be drilled therein and such other relief as is appropriate. Case No. 10060: (Continued) Application of Citation Oil & Gas Corp. for an order amending the field rules for the Cimbel-Madison Pool to allow the Lavone #2-29, NENW of Section 29, T.163N., R.78W., Bottineau County, ND, to be reentered and authorizing 4 hydraulic slim hole laterals to be drilled therein and such other relief as is appropriate. Case No. 10061: (Continued) Application of Citation Oil & Gas Corp. for an order amending the field rules for the Cimbel-Madison Pool to allow the Nordmark #31-29, NWNW of Section 29, T.163N., R.78W., Bottineau County, ND, to be reentered and authorizing 4 hydraulic slim hole laterals to be drilled therein and such other relief as is appropriate. Case No. 10062: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Encore Operating, LP #44-10H, Tysver Federal, SESE Section 10, T.147N., R.96W., Dunn County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 9651: (Continued) On a motion of the Commission to consider the appropriate spacing for the Upton Resources U.S.A., Inc. #1-18H Tracy Mountain Federal, located in the NE/4 SE/4 of Section 13, T.138N., R.102W., Tracy Mountain Field, Billings County, North Dakota.

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



**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. Thursday, May 29, 2008, 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 Oil and Gas Division at 701-328-8038 by Friday, May 16, 2008.

STATE OF NORTH DAKOTA  
TO:

Case No. 10132: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Dolphin-Bakken Pool to create and establish a 1280-acre spacing unit comprised of Sections 18 and 19, T.161N., R.95W., Divide County, ND, authorizing the drilling of one horizontal well on said spacing unit and such other relief as is appropriate.

Case No. 10133: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Sadler-Bakken Pool to create and establish three 1280-acre spacing units comprised of Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, T.161N., R.95W., Divide County, ND, authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate.

Case No. 10134: Application of Continental Resources, Inc. for an order extending the field boundaries and amending the field rules for the Hamlet-Bakken Pool to create and establish two 1280-acre spacing units comprised of Sections 13 and 24 and Sections 26 and 35, T.160N., R.96W., Divide County, ND, authorizing the drilling of one horizontal well on each spacing unit and such other relief as is appropriate.



**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**

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

May 7, 2008 ..... 83 lines @ .57 = 47.31

Case No. 10135: 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 Lila #1-36H, described as Section 36, T.161N., R.95W., Stoneview-Winnepigosis Pool, Divide 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.

**LARGE** ..... \$47.31

Case No. 10081: (Continued) 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 Titterude #1-3H, Section 3, T.160N., R.95W., Stoneview-Winnepigosis Pool, Divide 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.

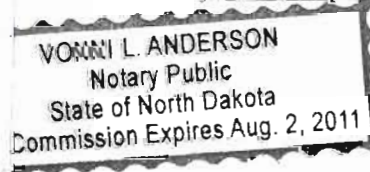
Signed

Steven J. Andrist, Publisher

Subscribed and sworn to before me May 7, 2008

Vonni L. Anderson

Notary Public, State of North Dakota  
My Commission Expires August 2, 2011



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