

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 10456  
ORDER NO. 12224

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER AMENDING THE FIELD RULES FOR THE SADLER-BAKKEN POOL, DIVIDE COUNTY, ND, SO AS TO ALTER THE DEFINITION OF THE STRATIGRAPHIC LIMITS OF THE POOL AND TO ALTER WELL LOCATION RULES FOR THE FIELD AND SUCH OTHER AND ADDITIONAL RELIEF AS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 11th day of September, 2008.
- (2) Order No. 12095 entered in Case No. 10218 defines the Sadler-Bakken Pool 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.
- (3) Continental Resources, Inc. (Continental) is desirous of redefining the stratigraphic limits of the Sadler-Bakken Pool as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 75 feet below the top of the Three Forks Formation within the limits of the field.
- (4) The stratigraphic limits proposed in paragraph (3) above are not consistent with other Bakken Pools defined by the Commission in the area. The Bakken Pool is typically defined as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation.
- (5) Continental desires to target the Sanish zone in the upper Three Forks Formation of several wells in the area. Said zone was targeted in the Arvid #1-34H, located in the SW/4 SE/4 of Section 34 and in the Elveida #1-33H, located in the SW/4 SE/4 of Section 33, both in Township 161 North, Range 95 West, Divide County, North Dakota. The Sanish zone is located

near the top of the Three Forks Formation and the deepest penetration below the top of the Three Forks Formation was approximately 30 feet.

(6) Defining the stratigraphic limits of the Sadler-Bakken Pool as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation will allow Continental to drill said horizontal wells as desired.

(7) Order No. 12095 further provides that the proper spacing for the development of Zone II in the Sadler-Bakken Pool be one horizontal well per 640 acres and all portions of any horizontal well bore not isolated by cement be no closer than 660 feet to the boundary of the spacing unit. The proper spacing for the development of Zone III in the Sadler-Bakken Pool is set at one horizontal well per 1280 acres and all portions of any horizontal well bore not isolated by cement be no closer than 660 feet to the boundary of the spacing unit.

(8) It is customary for the Commission to require a 500-foot setback on horizontal wells drilled in the Bakken Pool on 640-acre and 1280-acre spacing units.

(9) Granting additional flexibility in locating and drilling additional wells will result in the economic and efficient development of the oil and gas resources in a manner that prevents waste and protects correlative rights.

(10) There were no objections to modifying the setback with the Sadler-Bakken Pool.

IT IS THEREFORE ORDERED:

(1) The Sadler-Bakken Pool is hereby redefined as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation within the limits of the Sadler Field.

(2) 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 500 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.

(3) 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 500 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.

(4) 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, 6, 7, 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.

(5) 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, 6, 7, 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, 6, 7, 8, 9 AND 10.

(6) The Sadler-Bakken Pool is hereby redefined as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation within the limits of the Sadler Field.

(7) The proper spacing for the development of Zone I in the Sadler-Bakken Pool is hereby set at one well per 160 acres.

(8) 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.

(9) Spacing units in Zone I in the Sadler-Bakken Pool shall consist of a governmental quarter section or governmental lots corresponding thereto.

(10) 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 (5) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.

(11) The proper spacing for the development of Zone II in the Sadler-Bakken Pool is hereby set at one horizontal well per 640 acres.

(12) 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 500 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.

(13) Spacing units in Zone II in the Sadler-Bakken Pool shall consist of a governmental section or governmental lots corresponding thereto.

(14) Zone II in the Sadler-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(15) 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 (5) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.

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

(17) 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 500 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.

(18) 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.

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

(20) 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.

(21) Zone III in the Sadler-Bakken Pool shall not be extended except under the provisions of paragraph (20) above or by further order of the Commission after due notice and hearing.

(22) 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 (5) above shall conform to the applicable spacing requirements for the orderly development of Zone I in the Sadler-Bakken Pool.

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

(24) 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.

(25) 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.

(26) Sections 3 and 10; Sections 4 and 9; Sections 5 and 8; and Sections 6 and 7, 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.

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

(28) 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.

(29) Zone IV in the Sadler-Bakken Pool shall not be extended except under the provisions of paragraph (28) above or by further order of the Commission after due notice and hearing.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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.

(37) 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.

(38) 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.

(39) 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 23rd day of September, 2008.

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

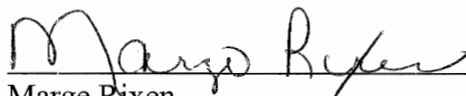
COUNTY OF BURLEIGH

I, Marge Rixen, being duly sworn upon oath, depose and say: That on the 3rd\_ day of October, 2008 enclosed in separate envelopes true and correct copies of the attached Order No. 12224 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. 10456 :


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

LISA ALWERT  
CONTINENTAL RESOURCES INC  
PO BOX 1032  
ENID OK 73702-1032

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

  
\_\_\_\_\_  
Marge Rixen  
Oil & Gas Division

On this 3rd day of October, 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

**JEANETTE BEAN**  
Notary Public  
State of North Dakota  
May 25, 2011

September 16, 2008

**VIA EMAIL AND U.S. MAIL**

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

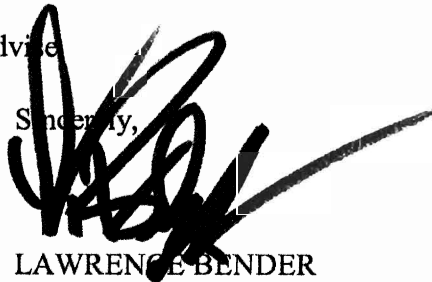
**RE: NDIC CASE NO. 10456  
Continental Resources, Inc.**

Dear Mr. Hicks:

As requested at the hearing in the above captioned to supplement the record, please find enclosed herewith a plat (Exhibit 10) and cross section (Exhibit 11).

Should you have any questions, please advise.

Sincerely,



LAWRENCE BENDER

LB/leo

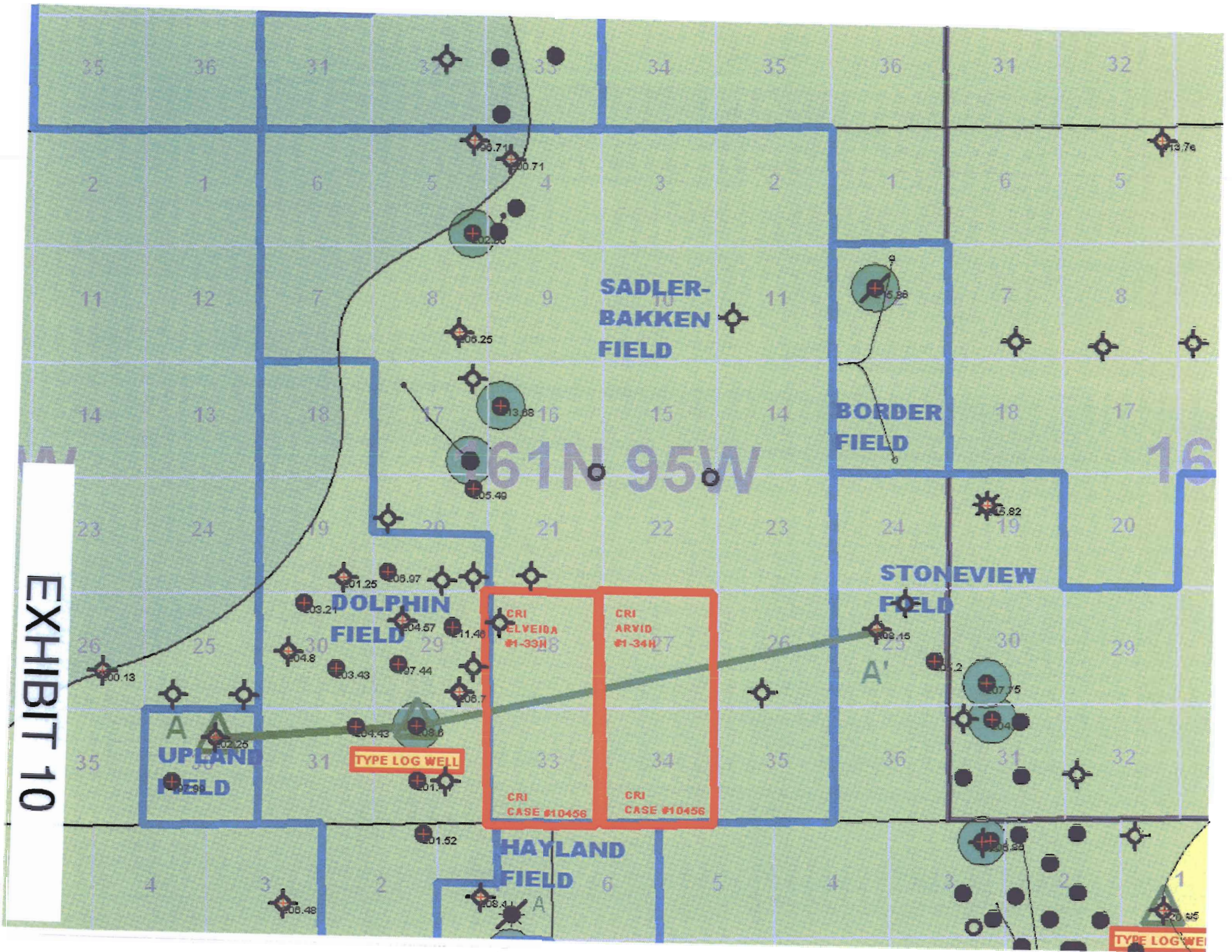
Enclosure

cc: Ms. Lisa Alwert – (w/enc.) *Via Email*

Attorneys & Advisors  
main 701.221.4020  
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www.fredlaw.com

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

EXHIBIT 10



3302300364000

21561 ft

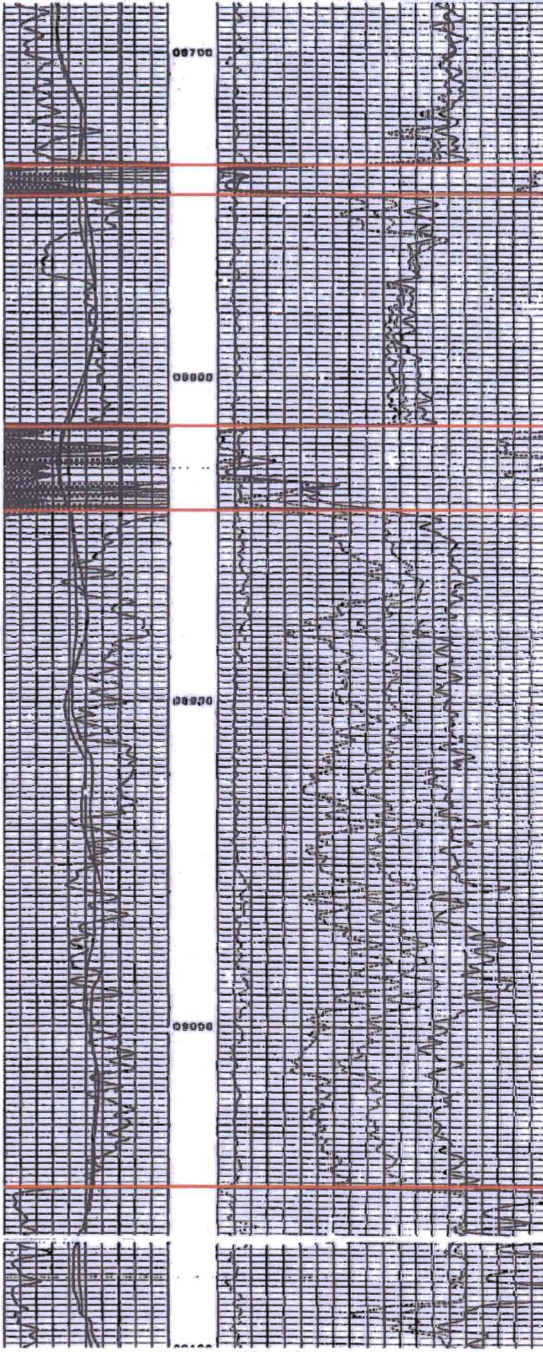
33023001930000

CONSOLIDATED OIL & G  
BAKKEN 1  
S2 NE NW  
TWP: 161 N - Range: 95 W - Sec. 32

HOME PETROLEUM CORP  
KJELSHUS 2  
1830 FNL 1980 FWL  
TWP: 161 N - Range: 95 W - Sec. 25

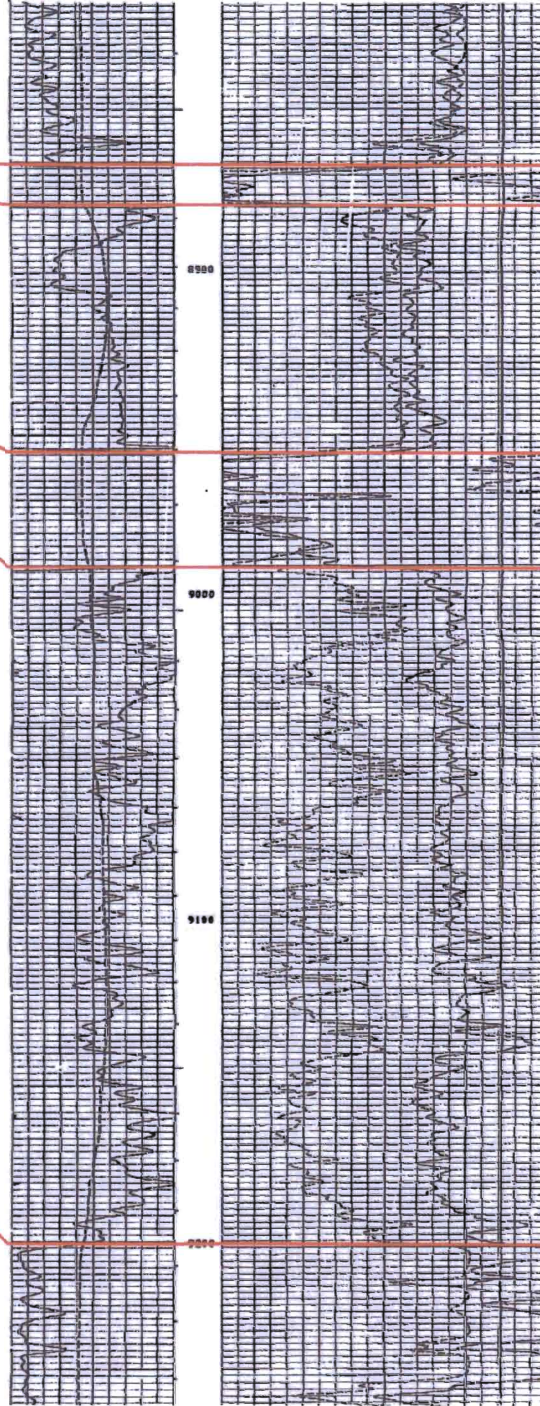
# EXHIBIT 11

-0.05aP19/CC1 0.23	
0 GR (API) 100	
0 CAL-N (IN) 10	30 β-CDL -10
0 CAL-V (IN) 10	30 β-ENS.LM -10
LOGGDEFINITION(LBS) 0	
	30 β-XP -10
10-10-88 10:10 10673.5 330247 0647-47 0 2	



TD=10650

COL (IN) 10.00	TRK (IN) 0.0
COL (IN) 16.00	TRK (IN) 0.0
GR (API) 100.0	TRK (IN) 0.0
	TRK (IN) 0.0



TD=12065

# Fredrikson

& BYRON, P.A.

September 15, 2008

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. 10456**  
**Continental Resources, Inc.**

Dear Mr. Hicks:

In follow-up to my correspondence dated September 11, 2008, please find enclosed herewith for filing the original TELEPHONIC COMMUNICATION AFFIDAVITS for the captioned matter.

Should you have any questions, please advise.

Sincerely,

  
LAWRENCE BENDER

LB/leo

Enclosure

cc: Ms. Lisa Alwert - (w/o enc.)  
Ms. Beth Steier - (w/o enc.)

Attorneys & Advisors  
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fax 701.221.4040  
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Bismarck, North Dakota  
58501-3879



BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 10456

Application of Continental Resources, Inc. for an order amending the field rules for the Sadler-Bakken Pool, Divide County, ND, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as appropriate.



TELEPHONIC COMMUNICATION AFFIDAVIT

Neil Olesen being first duly sworn deposes and states as follows: That on September 11, 2008, I testified under oath before the North Dakota Industrial Commission in Case Number 10456. 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.

*Neil Olesen*  
Neil Olesen

STATE OF OKLAHOMA     )  
                                          )ss:  
COUNTY OF GARFIELD    )

On September 11, 2008, Neil Olesen of Continental Resources, Inc., known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.



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

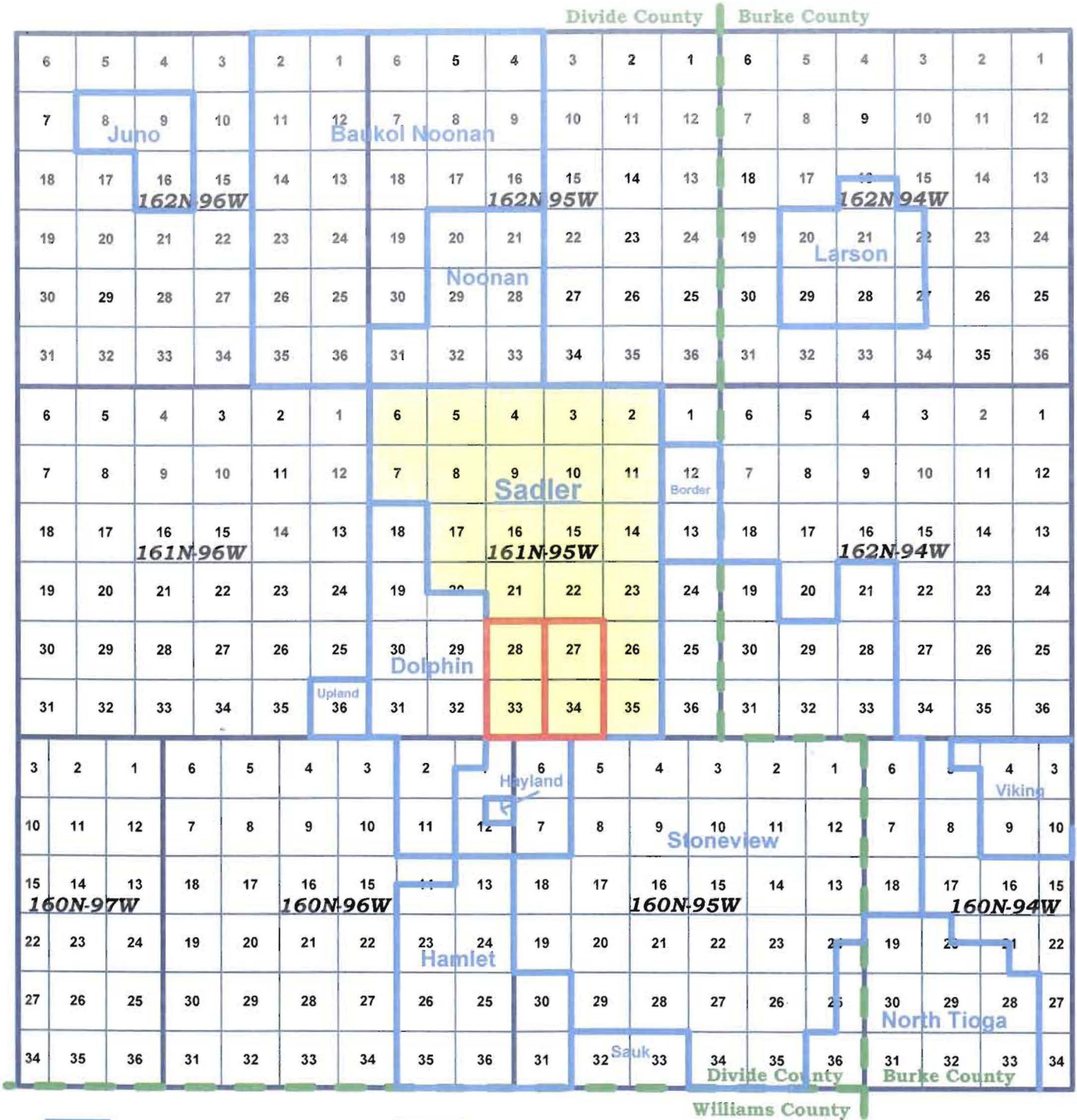


**Case No. 10456**

Application for an order extending the field rules for the Sadler-Bakken Pool, Divide County, ND, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as appropriate.

Before the  
North Dakota Industrial Commission  
September 11, 2008






 Field Outlines

 Amended Field  
 INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA

 Referenced Spacing Units

DATE 9/11/08 CASE NO. 10456  
 Introduced By Continental  
 Exhibit 1  
 Identified By Alwert

 County Boundaries



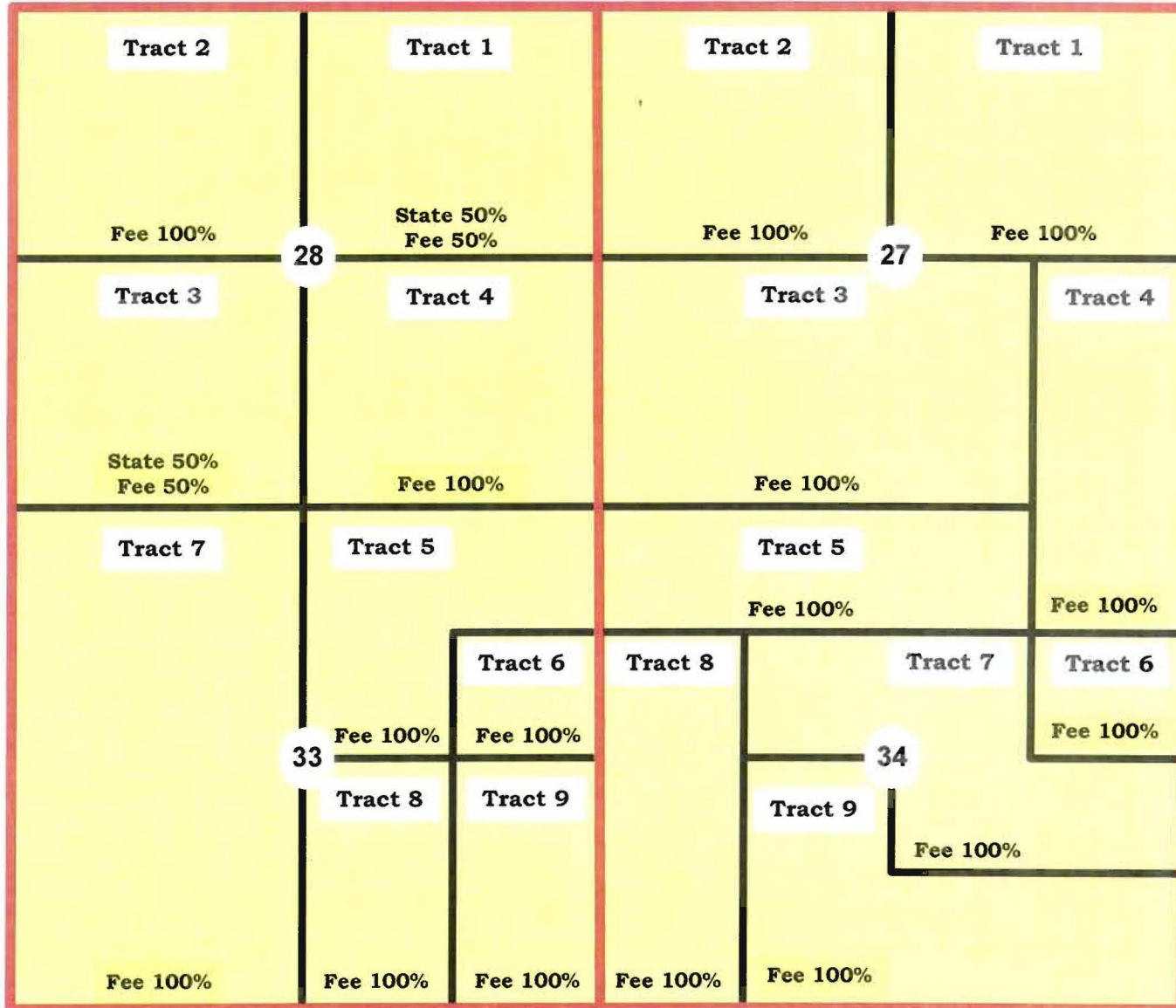
**Exhibit 1**  
 Case No. 10456

# General Locator Map

# Land Plat

All of Sections 28 & 33, Township  
161 North, Range 95 West  
Divide County, North Dakota

All of Sections 27 & 34, Township  
161 North, Range 95 West  
Divide County, North Dakota



Unit Acreage Total - 1280.00 Acres

Unit Acreage Total - 1234.00 Acres

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

DATE 9/11/08 CASE NO. 10956  
Introduced By Continental  
Exhibit 2  
Identified By Alwert



# Ownership Summary

Township 161 North, Range 95 West  
All of Sections 28 and 33  
Divide County, North Dakota

## Working Interest in Unit Area

<u>Leasehold Owner</u>	<u>Interest</u>
Continental Resources, Inc.	42.19%
Samson Resources Company	31.25%
Southfork Exploration, LLC	7.29%
Others	5.11%
Wheatland Oil, Inc	3.91%
Headington Oil, LP	3.12%
A.G. Andrikopoulos Resources, Inc.	2.85%
EOG Resources, Inc.	1.25%
Ray Reid	.78%
Pasquion Minerals Company	.69%
Frances M. Weber Estate	.44%
2 M Pardners, LLC	.39%
Delta Land and Minerals Company	.20%
Rubye E. Jones Estate	.20%
Hortense Hogan Revocable Trust	.17%
Northern Energy Corporation	.10%
Rocky Mountain Minerals, Inc.	.06%
	100.00%

## Leasehold Ownership

### Tract 1: NE4 of Section 28-161N-95W, 5<sup>TH</sup> PM

Continental Resources, Inc.	51.30%
Samson Resources Company	38.00%
EOG Resources, Inc.	5.00%
Wheatland Oil, Inc	4.75%
Ray Reid	.95%

### Tract 2: NW4 of Section 28-161N-95W, 5<sup>TH</sup> PM

Continental Resources, Inc.	34.13%
Samson Resources Company	25.28%
A.G. Andrikopoulos Resources, Inc.	22.77%
Southfork Exploration, Inc.	8.33%
Others	4.36%
Wheatland Oil, Inc	3.16%
Florence Thompson	1.34%
Ray Reid	.63%

### Tract 3: SW4 of Section 28-161N-95W, 5<sup>TH</sup> PM

Continental Resources, Inc.	51.06%
Samson Resources Company	37.82%
EOG Resources, Inc.	5.00%
Wheatland Oil, Inc	4.73%
Ray Reid	.94%
Rocky Mountain Minerals, Inc.	.45%

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

DATE 9/11/08 CASE NO. 10456

Introduced By Continental

Exhibit 3

Identified By Alwart



**Tract 4: SE4 of Section 28-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	43.88%
Samson Resources Company	32.50%
Headington Oil, LP	18.75%
Wheatland Oil, Inc.	4.06%
Ray Reid	.81%

**Tract 5: N2NE4, SW4NE4 of Section 33-161N-95W, 5<sup>TH</sup> PM**

Southfork Exploration, LLC	50.00%
Continental Resources, Inc.	9.00%
Headington Oil, LP	8.33%
H. L. Benning	8.33%
Mrs. R.M. Lobaugh	8.33%
Samson Resources Company	6.67%
Olean T. White	4.17%
2 M Pardners, LLC	4.17%
Wheatland Oil, Inc.	.83%
Ray Reid	.17%

**Tract 6: SE4NE4 of Section 33-161N-95W, 5<sup>TH</sup> PM**

Southfork Exploration, LLC	50.00%
Continental Resources, Inc.	27.00%
Samson Resources Company	20.00%
Wheatland Oil, Inc.	2.50%
Ray Reid	.50%

**Tract 7: W2 of Section 33-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	45.16%
Samson Resources Company	33.45%
Others	9.17%
Wheatland Oil, Inc.	4.18%
Pasquion Minerals Company	2.78%
Frances M. Weber Estate	1.77%
Ray Reid	.84%
Delta Land and Minerals Company	.78%
Ruby E. Jones Estate	.78%
Hortense Hogan Revocable Trust	.70%
Northern Energy Corporation	.39%

**Tract 8: W2SE4 of Section 33-161N-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 9: E2SE4 of Section 33-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	52.73%
Samson Resources Company	39.06%
Wheatland Oil, Inc.	4.88%
Others	2.35%
Ray Reid	.98%



# Ownership Summary

Township 161 North, Range 95 West  
All of Sections 27 and 34  
Divide County, North Dakota

## Working Interest in Unit Area

### Leasehold Owner

### Interest

Continental Resources, Inc.	41.75%
Samson Resources Company	30.92%
Headington Oil, LP	9.73%
Southfork Exploration, LLC	4.86%
Wheatland Oil, Inc.	3.87%
Interwest Petroleum Corporation	3.24%
Dorchester Minerals Operating LP Successor to Republic Royalty Co.	1.81%
Helmerich & Payne, Inc.	1.52%
Ray Reid	.77%
Maecenas Minerals, LP	.46%
Inland Oil and Gas Corporation	.30%
H. Huffman & Company	.30%
ConocoPhillips Company	.30%
The Fasken Foundation	.12%
Randy Geiselman	.05%
	<u>100.00%</u>

## Leasehold Ownership

### Tract 1: NE4 of Section 27-161N-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: NW4 of Section 27-161N-95W, 5<sup>TH</sup> PM

Headington Oil, LP	37.50%
Continental Resources, Inc.	23.62%
Samson Resources Company	17.50%
Dorchester Minerals Operating LP, Successor to Republic Royalty Company	13.93%
Maecenas Minerals, LP	3.54%
Wheatland Oil, Inc.	2.19%
The Fasken Foundation	.94%
Ray Reid	.44%
Randy Geiselman	.34%

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA  
DATE 9/11/08 CASE NO. 10456  
Introduced By Continental  
Exhibit 4  
Identified By Alwert

### Tract 3: Lot 1, SW4, NW4SE4 of Section 27-161N-95W, 5<sup>TH</sup> PM

Continental Resources, Inc.	50.59%
Samson Resources Company	37.48%
Interwest Petroleum Corporation	6.31%
Wheatland Oil, Inc.	4.68%
Ray Reid	.94%



**Tract 4: Lot 2, NE4SE4 of Section 27 and Lot 1 of Section 34-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	50.59%
Samson Resources Company	37.48%
Interwest Petroleum Corporation	6.31%
Wheatland Oil, Inc.	4.68%
Ray Reid	.94%

**Tract 5: Lot 2, N2NW4 of Section 34-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	50.59%
Samson Resources Company	37.48%
Interwest Petroleum Corporation	6.31%
Wheatland Oil, Inc.	4.68%
Ray Reid	.94%

**Tract 6: SW4NE4 of Section 34-161N-95W, 5<sup>TH</sup> PM**

Continental Resources, Inc.	50.59%
Samson Resources Company	37.48%
Interwest Petroleum Corporation	6.31%
Wheatland Oil, Inc.	4.68%
Ray Reid	.94%

**Tract 7: SW4NE4,SE4NW4, N2SE4 of Section 34-161N-95W, 5<sup>TH</sup> PM**

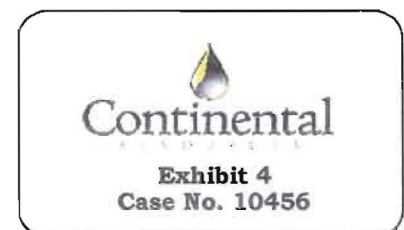
Continental Resources, Inc.	40.47%
Samson Resources Company	29.98%
Helmerich & Payne, Inc.	11.72%
Interwest Petroleum Corporation	6.31%
Wheatland Oil, Inc.	3.75%
Inland Oil and Gas Corporation	2.34%
H. Huffman & Company	2.34%
ConocoPhillips Company	2.34%
Ray Reid	.75%

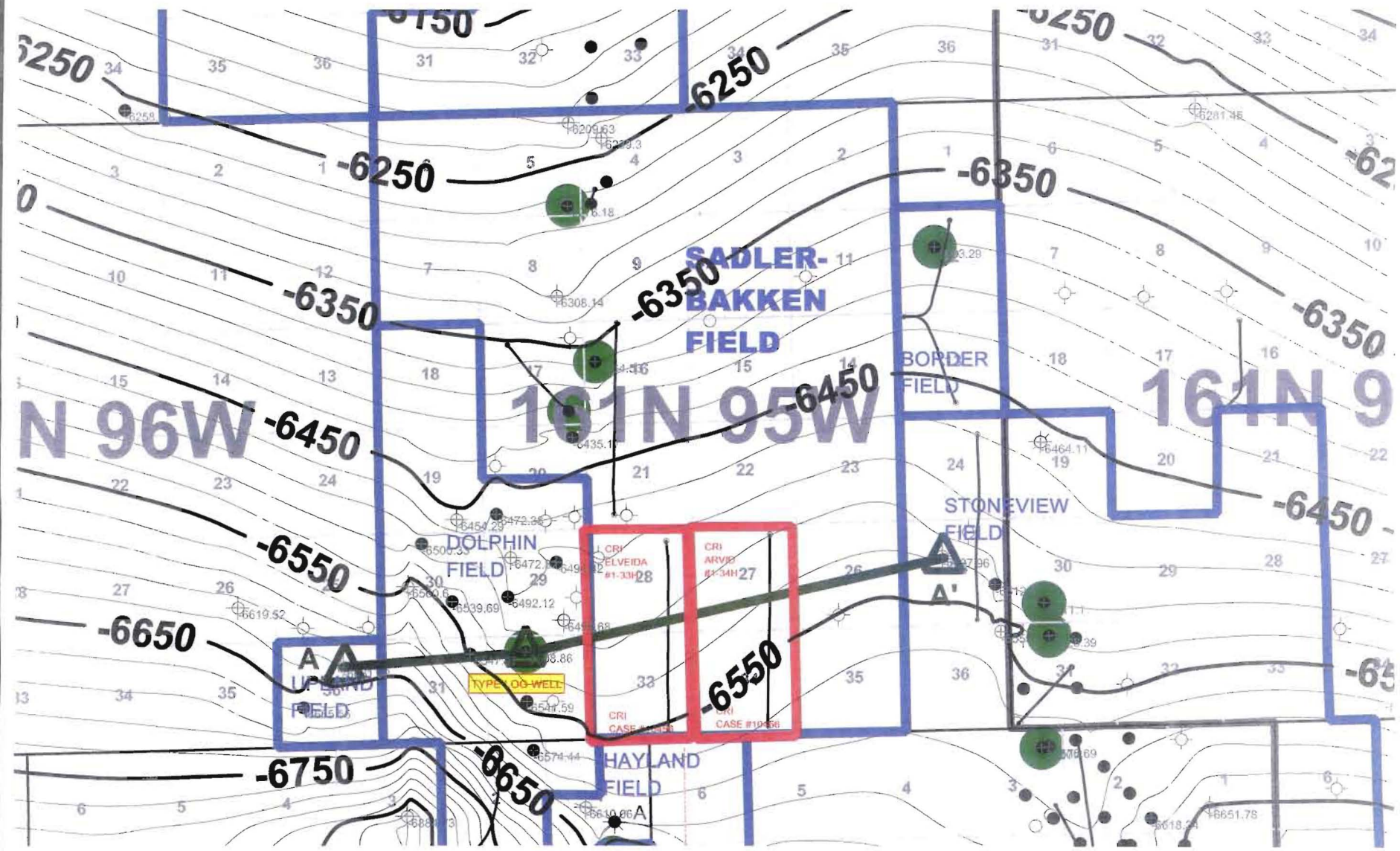
**Tract 8: SW4NW4, W2SW4 of Section 34-161N-95W, 5<sup>TH</sup> PM**

Southfork Exploration, LLC	50.00%
Headington Oil, LP	50.00%

**Tract 9: E2SW4, S2SE4 of Section 34-161N-95W, 5<sup>TH</sup> PM**

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





INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA  
 DATE 9/11/08 CASE NO. 10456  
 Introduced By Continental  
 Exhibit 5  
 Identified By Oleson

<b>Continental Resources Inc.</b>		
Three Forks Structure C.I. = 20' Case #10456 Exhibit 5		
Chase Reid		Date: 5 September, 2008
	NDIC #10456.gmp	

33023002640000

9266 ft

33023003640000

21561 ft

33023001930000

A

PRIMARY FUELS  
STATE OF NORTH DAKOTA 1-36  
1300 FNL 1980 FEL  
TWP: 161 N - Range: 96 W - Sec. 36  
Field=UPLAND

CONSOLIDATED OIL & G  
BAKKEN 1  
S2 NE NW  
TWP: 161 N - Range: 95 W - Sec. 25  
Field=DOLPHIN

HOME PETROLEUM CORP.  
KJELSHUS 2  
1830 FNL 1980 FWL  
TWP: 161 N - Range: 95 W - Sec. 25  
Field=STONEVIEW

A'

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

DATE 9/11/08 CASE NO. 10456

Introduced By Continental

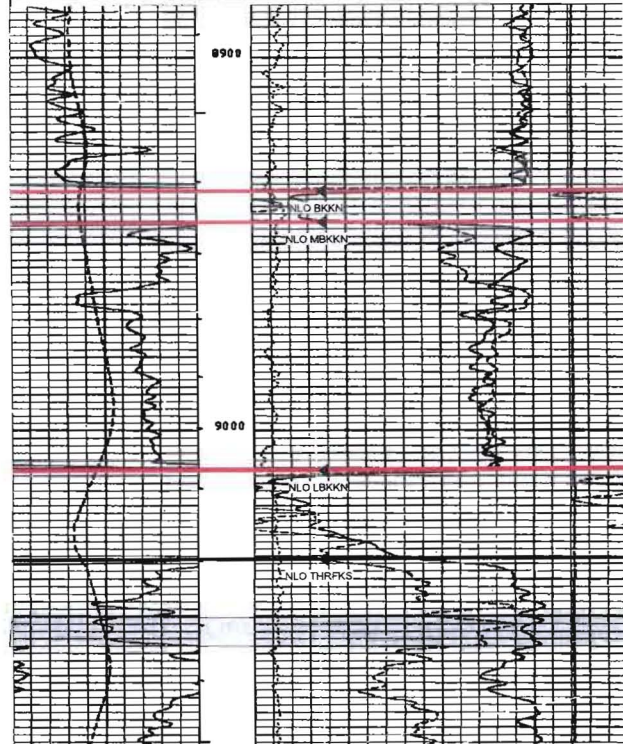
Exhibit 6

Identified By Olesen

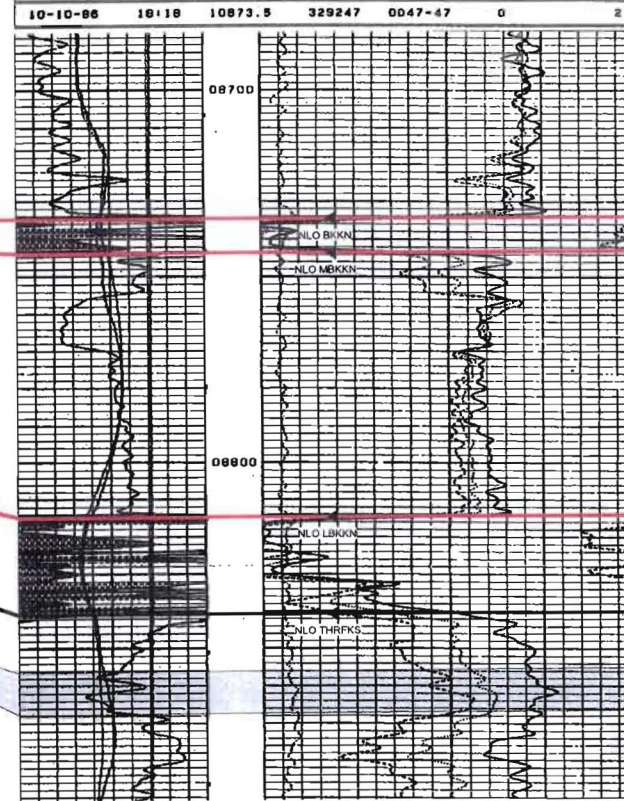
CAL (IN)	26.000	DRHO (G/CC)	0.4500	TENS (LB)	0.0
CAL (IN)	16.000	DPHC		LIMESTONE	-0.100
GR (GAPI)	100.00	MPHS			-0.100
GR (GAPI)	100.00				

GR (API)	100	-0.054 P (G/CC)	0.25	
CAL-X (IN)	16	30	#-CDL	-10
CAL-Y (IN)	16	30	#-CHS.LH	-10
10000 TENSION (LBS)	0	30	#-XP	-10

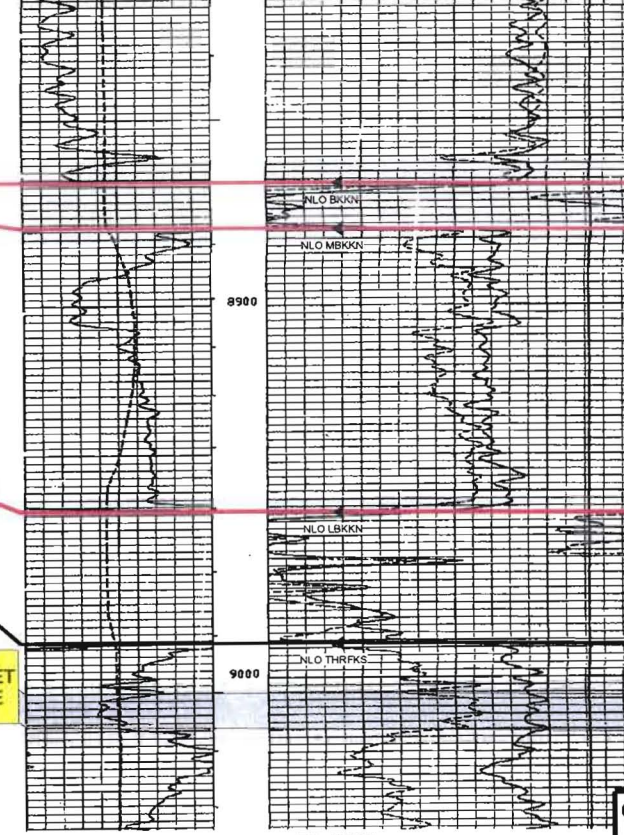
CAL (IN)	26.00	TENS (LB)	0.0	
CAL (IN)	16.00	DPHC	LIMESTONE	-0.100
GR (GAPI)	100.0	MPHS	LIMESTONE	-0.100
GR (GAPI)	100.0			



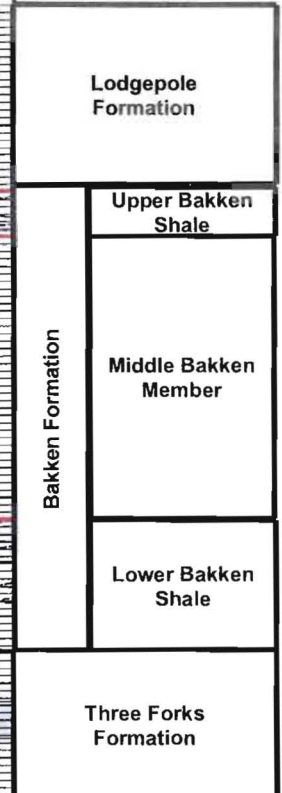
TD=10230



TD=10650



TD=12865



Continental Resources, Inc.  
Type Log  
Case #10456  
Exhibit 6



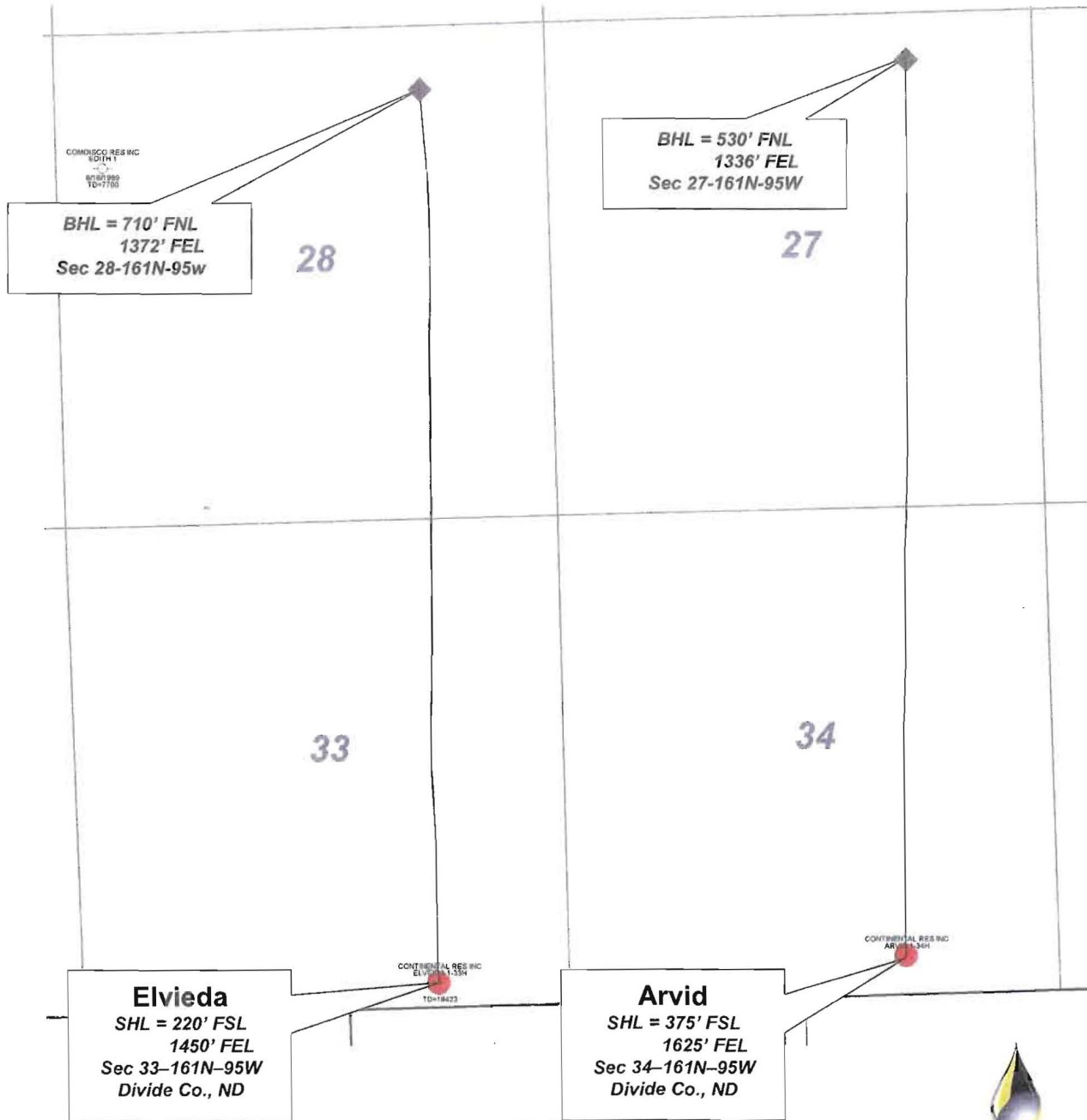
**DIRECTIONAL WELL PLOTS**

**Elvieda 1-33H (220' FSL & 1450' FEL) Section 33**

**Arvid 1-34H (375' FSL & 1625' FEL) Section 34**

**T161N-R95W**

**Divide County, ND**



-  Surface Location
-  Bottom Hole Location
-  Section Line
-  Township Line

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

DATE 9/11/08 CASE NO. 10456

Introduced By Continental

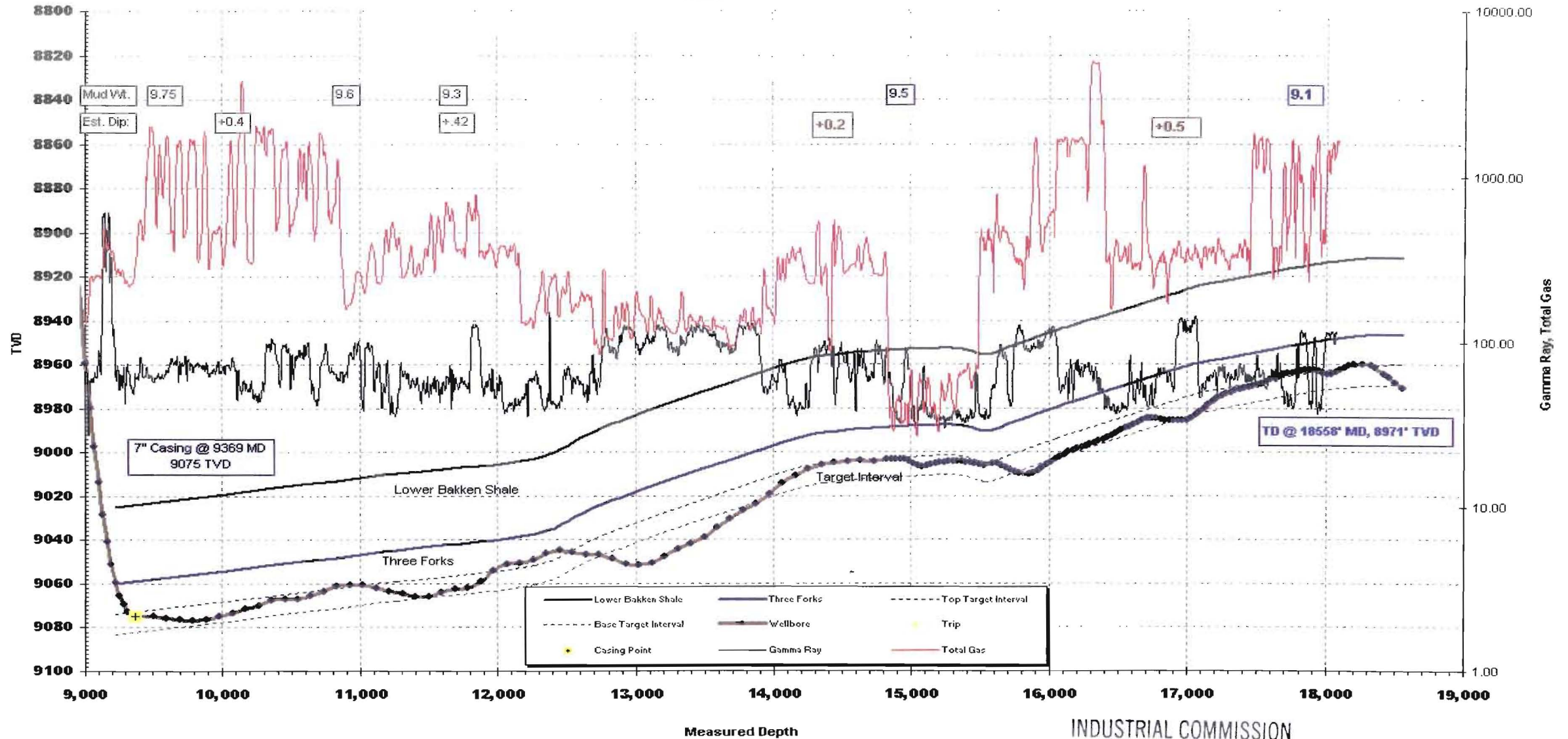
Exhibit 7

Identified By Olesen



**Case #10456**  
**Exhibit 7**

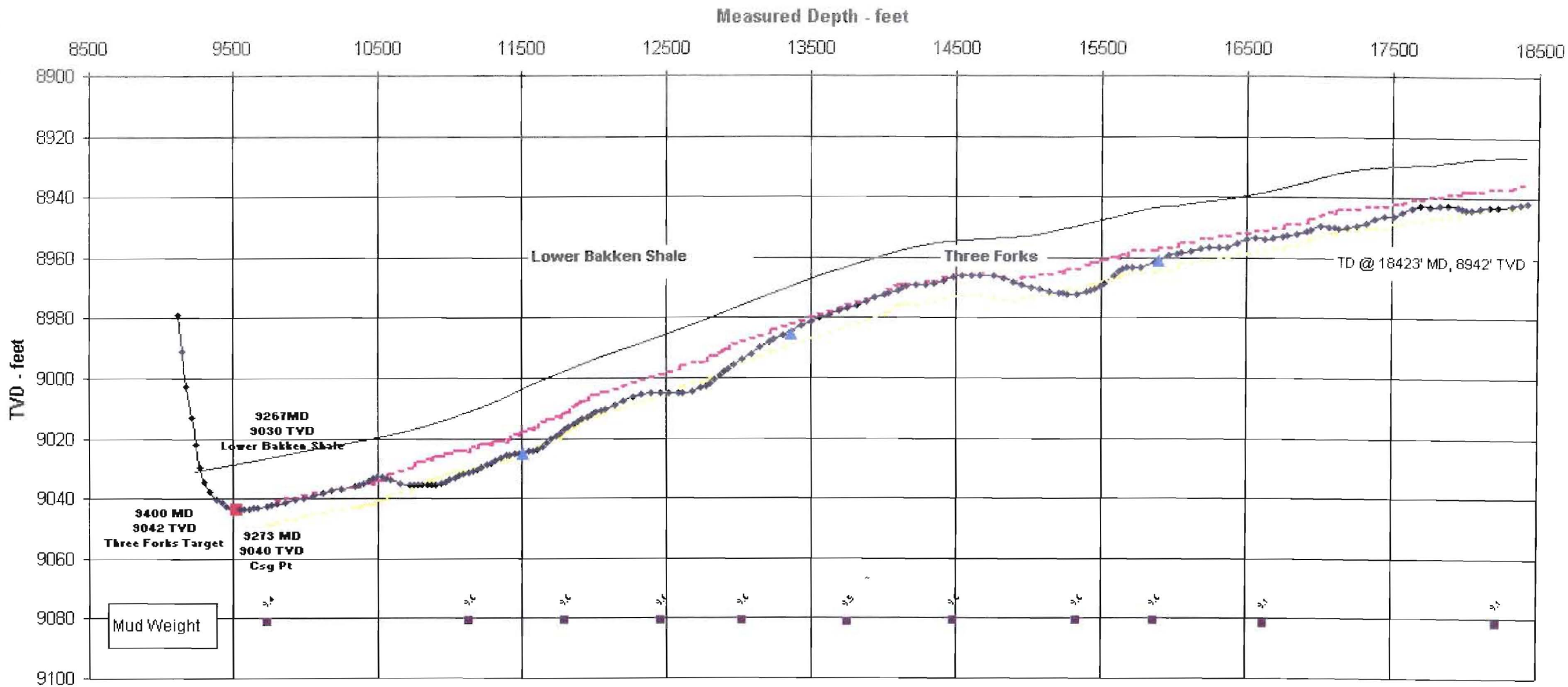
**ARVID 1-34H**  
**SECTIONS 27 & 34 161N 95W**  
**DIVIDE CO., NORTH DAKOTA**



INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA  
 DATE 9/11/08 CASE NO. 10456  
 Introduced By Continental  
 Exhibit 8  
 Identified By Olesen

Continental Resources,  
 Inc.  
 Lateral Plot  
 Case #10456  
 Exhibit 8

Elveida 1-33H Secs. 33 & 28, Divide Co., ND



—◆— Wellbore    - - - Top Target    - - - Base Target    ▲ Trip    — Three Forks    ■ MW

INDUSTRIAL COMMISSION  
 STATE OF NORTH DAKOTA  
 DATE 9/11/08 CASE NO. 10456  
 Introduced By Continental  
 Exhibit 9  
 Identified By Oleson

Continental Resources,  
 Inc.  
 Lateral Plot  
 Case #10456  
 Exhibit 9

August 19, 2008



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

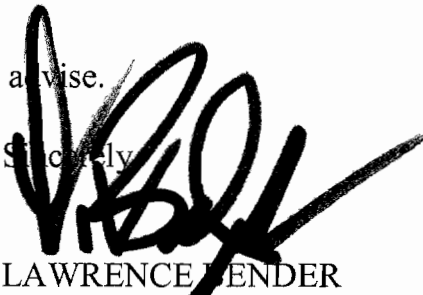
**RE: APPLICATION OF  
CONTINENTAL RESOURCES,  
Sadler-Bakken Pool, Divide  
County, ND**

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.)  
Mr. Charles Carvell - (w/enc.)  
Mr. Jim Canon - (w/enc.)  
Ms. Lisa Alwert - (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

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BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 10456

**Application of Continental Resources, Inc. for an order amending the field rules for the Sadler-Bakken Pool, Divide County, ND, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as appropriate.**



APPLICATION OF CONTINENTAL RESOURCES, INC.

Applicant, Continental Resources, Inc. ("Continental"), respectfully states as follows:

1.

That Continental is the owner of an interest in the oil and gas leasehold estate in portions of the Sadler-Bakken Pool, Divide County, North Dakota.

2.

That Continental has drilled and completed wells in the Sadler-Bakken Pool and has plans to drill and complete future wells to further develop the pool.

3.

That it is the opinion of Continental that in using the horizontal drilling technique to develop the Sadler-Bakken Pool, the field rules for the pool should be amended to allow for more flexibility in the drilling and completing of wells.

4.

That current field rules fore the Sadler-Bakken Pool provide for the definition of the stratigraphic limits of the pool "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."

5.

That in order to promote development, the current field rules for the Sadler-Bakken Pool should be amended to provide as follows:

The Sadler-Bakken Pool is hereby defined as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation within the limits of the field as set forth above.

6.

That the Sadler-Bakken Pool has been divided into certain zones of spacing. Some of those zones set well locations at no less than 500 feet while other zones set well locations at no less than 660 feet.

7.

That Continental is of the opinion that more uniformity with respect to well locations within the various zones of the Sadler-Bakken Pool requiring all wells to be located not less than 500 feet to the spacing unit boundary will promote development in a manner which will prevent waste and protect correlative rights and prevent the drilling of unnecessary wells.

8.

That in order to prevent waste, to avoid the drilling of unnecessary wells and to protect correlative rights, the field rules for the Sadler-Bakken Pool should be amended.

9.

That Continental, therefore, requests that the Commission enter an order amending the field rules for the Sadler-Bakken Pool, Divide County, North Dakota, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as the Commission deems appropriate.

**WHEREFORE**, Continental requests the following:



OK

**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, September 11, 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, August 29, 2008.

**STATE OF NORTH DAKOTA  
TO:**

Case No. 10456- Application of Continental Resources, Inc. for an order amending the field rules for the Sadler-Bakken Pool, Divide County, ND, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as appropriate.

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

(8-27)



# Affidavit of Publication

State of North Dakota, County of Divide, ss:

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 & GAS DIVISION**

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

**August 27, 2008.....35 lines @ .57 = 19.95**

**TOTAL CHARGE.....\$19.95**

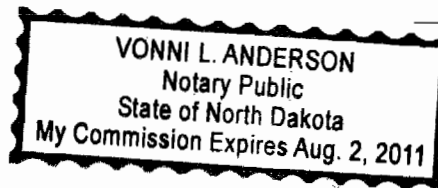
Signed

Steven J. Andrist, Publisher

Subscribed and sworn to before me August 27, 2008

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

Customer: 60010203  
Phone: (701) 328-8020  
Date: 08/27/2008

**CREDIT CARD PAYMENT (circle one)**



Card #: \_\_\_\_\_  
Exp Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Credit card users: Fax to 701-223-6584

Date	Order #	Type	Order Amt
08/27/08	20308030	INV	19.60

Amount Paid: \_\_\_\_\_ CK #: \_\_\_\_\_

PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT

Date	Date	Times Run	Description	Lines	Class Code	Order Amt	Net Amt Due
08/27/08	08/27/08	1	Case #10456/603056 Bismarck Tribune PO:Notice of Hearing	28.00	Legals	19.60	19.60

**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, September 11, 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, August 29, 2008.  
**STATE OF NORTH DAKOTA TO:**  
Case No. 10456: Application of Continental Resources, Inc. for an order amending the field rules for the Sadler-Bakken Pool, Divide County, ND, so as to alter the definition of the stratigraphic limits of the pool and to alter well location rules for the field and such other and additional relief as appropriate.  
Signed by:  
John Hoeven, Governor  
Chairman, ND Industrial Commission  
8/27 - 603056

Affidavit of Publication  
State of North Dakota ) SS County of Burleigh  
Before me, a Notary Public for the State of North Dakota personally appeared \_\_\_\_\_ who being duly sworn, deposes and says that he (she) is the Clerk of Bismarck Tribune Co., and that the publications were made through the Bismarck Tribune on the following dates:  
Signed \_\_\_\_\_  
sworn and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008.  
Morgan Doll  
Notary Public in and for the State of North Dakota

MORGAN DOLL  
Notary Public  
State of North Dakota  
My Commission Expires Jan. 12, 2011

Please return invoice or put order number on check. Thank You.

Remarks \_\_\_\_\_ Total Due: 19.60

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