

STATE OF INDIANA  
BEFORE THE  
NATURAL RESOURCES COMMISSION  
OF THE  
DEPARTMENT OF NATURAL RESOURCES

IN THE MATTER OF:

- ) PETITION OF CONTINENTAL RESOURCES OF INDIANA, INC.
- ) FOR AN EXCEPTION TO
- ) 312 IAC 16-5 (1, 2) OF THE
- ) GENERAL OIL AND GAS WELL
- ) SPACING RULES

PETITION

Comes now Continental Resources, Inc., on behalf of itself and other owners and operators of lease hold interests as set forth below (hereinafter called "Petitioner"), and respectfully shows the Department of Natural Resources of the State of Indiana the following:

1. Petitioner is the holder of legal title to certain leaseholds, and is the duly authorized representative of all other owners of Contractual or other beneficial interests in, certain oil and gas leasehold(s) covering land(s) in Township 1 North, Range 8 West; Township 1 South, Range 8 West; Township 1 North, Range 9 West; and Township 1 South, Range 9 West; including those lands described by Section, Survey and Location located within the Township(s) and Range(s) aforementioned; Clay and Madison Townships, Pike County, Indiana. There is also attached hereto, marked Exhibit "A" and by reference incorporated herein and made a part hereof, a map of plat of the area sought to be affected by this proposed Order. The lands so outlined and represented on Exhibit "A" are hereinafter referred to as the "Affected Area".
2. It is the purpose of this Petition to obtain approval to allow alternative spacing for **Five (5) acre** drilling units for ALL SANDSTONE WELLS/RESERVOIRS, located in these leasehold estates and lands, in the drilling of said Sandstone Wells, and it shall be lawful to space wells 330 feet from the Affected Area boundary outlined on Exhibit A; and 165 feet from any lease line, property line, or subdivision which separates unconsolidated property interests not inclusive of the Affected Area boundary outlined and aforementioned, and 330 feet from any drilling or producing well, creating a maximum well density of one well per one half  $\frac{1}{4}$ ,  $\frac{1}{4}$ ,  $\frac{1}{4}$  Section per producing horizon, as described by leasehold and shown on Exhibit "A", pursuant to the provisions of 312 IAC 16-5-3. Per current rules, a minimum of 10 contiguous and/or pooled acres must be under valid lease(s). **This exception will apply only to sandstone production above the McClosky Limestone.**
3. As grounds for seeking said exception, Petitioner would respectfully show to the Commission it is supported by local regional and geologic characteristics and would allow the most efficient and economic recovery of Oil and Natural Gas. In particular, these conditions exist in the Affected Area, similar to those which exist in other parts of Clay and Madison Township, Pike County, Indiana, where a Commission Order allowing for five acre spacing of all Sandstone Wells has been in continuous effect since 1948, along with other recent

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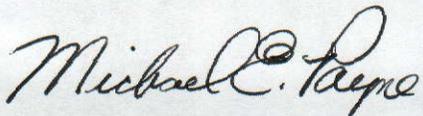
Commission Orders which have approved the requested spacing on smaller tracts. A copy of said order is attached to this Petition and marked Exhibit "B". This petition intends to clarify and, if necessary, supersede the 1948 Commission Order, and any other 312 IAC 16-5-3 orders granted by the Commission regarding the Affected Area.

4. Petitioner is ready and willing to supply to the Commission or to its representatives such further and additional information as may be pertinent or relative to consideration of five (5) acre well spacing for all sandstone wells located on petitioner's leasehold estates and lands in the "Affected Area", at or prior to consideration of this Petition.
5. Petitioner has not attached structure maps hereto, as structure is not the key factor in exploring for and Producing Oil from these reservoirs. Sandstone "leases" and related stratigraphic traps with minor Structural implications are more impactful for Oil and Natural Gas accumulations in the Union Bowman Consolidated field (UBC). Those Factors, as well as the large number of historical wells in the UBC account for a large area of the field to already allow for five (5) acre drilling units for sandstone wells.
6. Petitioner represents to the best of the knowledge, information, and its belief, no valid reasons exist to indicate or establish that five acre spacing (one well per  $\frac{1}{2}$  of  $\frac{1}{4}$ ,  $\frac{1}{4}$ ,  $\frac{1}{4}$  Section) for all Sandstone wells would not be in the best interest of conservation, and on the contrary, Petitioner respectfully states the maintaining of standard spacing and unit specifications in the Affected Area would not be in the best interest of preservation, conservation, and utilization of petroleum resources.

It is the prayer of said Petition, after a Public Notice period, that this Petition be granted and the exception sought in this Petition to 312 IAC 16-5 (1, 2) of the General Oil and Gas Well Spacing rules as it relates to Sandstone Wells/Reservoirs above the McClosky Limestone within the Affected Area indicated on Exhibit "A" attached hereto be authorized and established, subject to such further terms and conditions as the Commission may impose in and by its Order establishing such spacing and units.

Respectfully submitted,

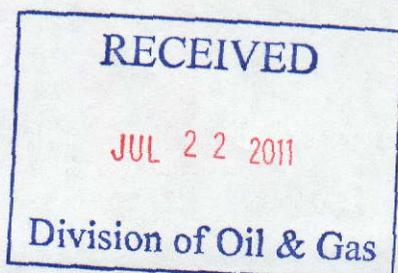
CONTINENTAL RESOURCES OF INDIANA, INC.



By: Michael E. Payne, Engineering/Operating Manager

This instrument prepared by:

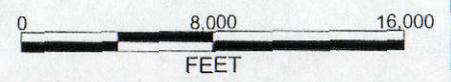
Continental Resources of Indiana, Inc.  
Michael E Payne  
PO Box 749  
Mt. Vernon, IL 62864





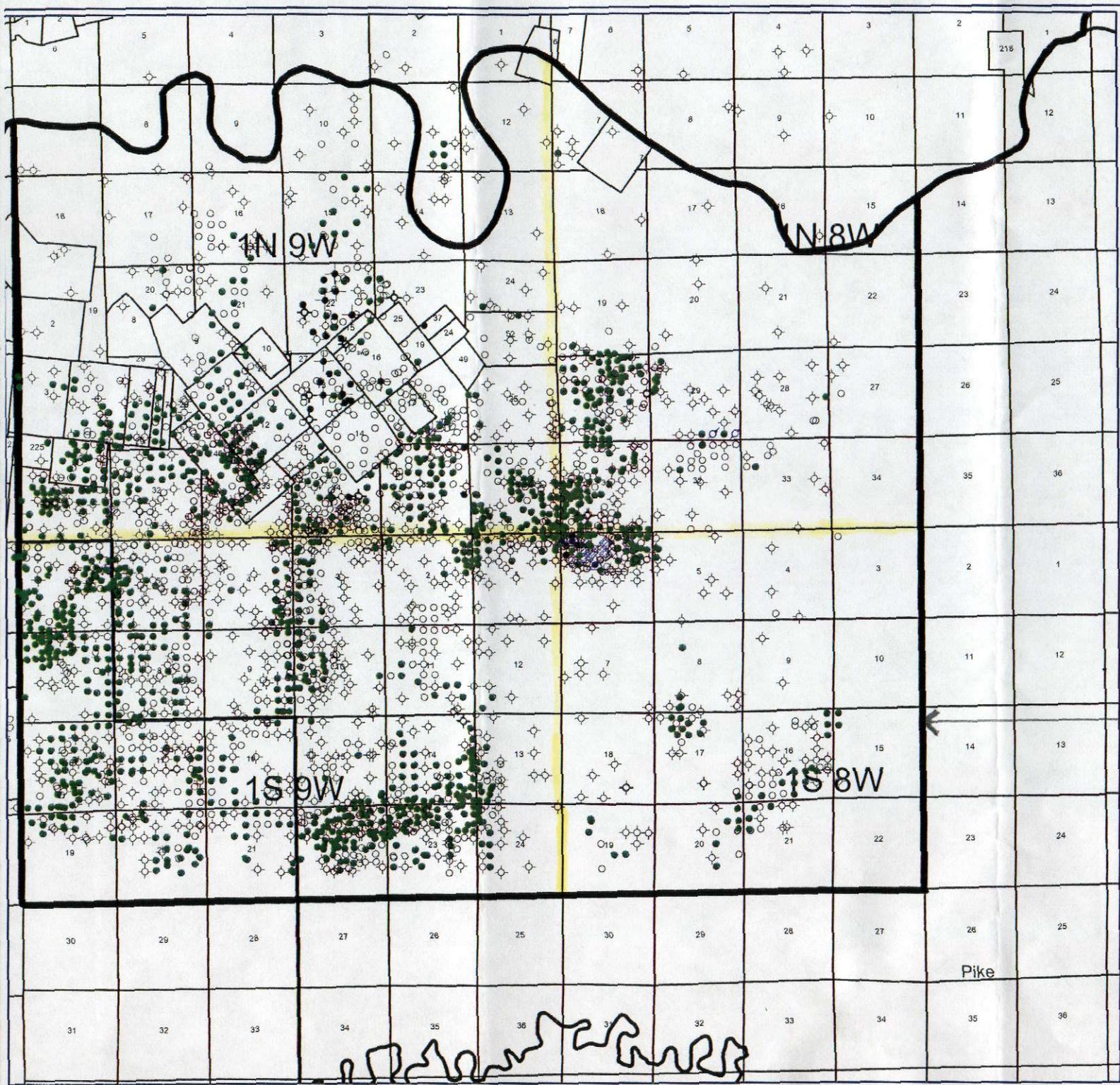
Continental Resources, Inc

Exhibit A



- WELL SYMBOLS**
- Abandoned Location - Permit
  - ⊗ Abandoned Well
  - ⊗ Abandoned Injector
  - ⊗ Abandoned Water Injector
  - ⊗ Well Derrick
  - ⊗ Dry Hole
  - ⊗ Injection Well
  - ⊗ MM Dry
  - ⊗ Injection Well
  - MM Oil
  - MM Plugged
  - MM SWD
  - Oil Well
  - Plugged and Abandoned
  - Plugged & Abandoned With OIL Show
  - ⊗ Plugged Injection
  - ⊗ Shut-in Well
  - ⊗ Unknown Status

July 15, 2011



AFFECTED AREA BOUNDARY

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Division of Oil & Gas

COMMISSION ORDER

Comes now the partnership of Ellis, Morrison & Bement by Gail A. Morrison, Cox Drilling Company by A. G. Wickersham, vice-president; the Murphy Oil Company of Pennsylvania by Louis A. Bristol, vice-president, and on December 2nd, 1947, file their verified petition with this Commission requesting five acre spacing for sandstone oil well in the following area of Pike County, Indiana, to wit:

All of Township 1 North, Range 9 West, Clay and Madison Townships, Pike County, Indiana,

Comes now A. C. Colby, chief of the Oil and Gas Division of this Department of Conservation and files proof of publication of notices with reference to a public hearing on said petition and proof of the mailing of notices to more than fifteen (15) well known oil dealers and operators of a public hearing on said petition at 10:30 A. M. in the office of the Director of Conservation on December 19th, 1947, which proof of publication of notice and mailing of notices are as follows: (H.I.)

And now on this 19th day of December, 1947, a petition heretofore referred to comes before this Commission for hearing and there being no objections to granting of said petition and the Commission after hearing evidence on the merits of said petition does herein make the following order on said petition:

It is now ordered, adjudged and decreed that an exception to the rules and regulations concerning the spacing of oil wells heretofore made and promulgated by this Commission be granted as follows: That in all of Township 1 North, Range 9 West, Clay and Madison Townships, Pike County, Indiana, in the drilling of sandstone wells it shall be lawful to space wells 220 feet from any lease line, property line, or subdivision which separates unconsolidated property interests, and 440 feet from any drilling or producing well. This exception applies only to sandstone production above

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Division of Oil &amp; Gas

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the McClosky limestone. Wells that may be drilled hereafter offsetting wells which have been drilled prior to this order are not excepted and must conform to the regular spacing rules and regulations of 330 feet from property lines and not less than 660 feet from any drilling or producing well. The foregoing exception is made only for the reason as adduced in the evidence of certain extraordinary and peculiar geologic conditions and will apply strictly and only to the area as set out in this order.

This order signed and ordered effective this \_\_\_\_\_ day of January, 1948.

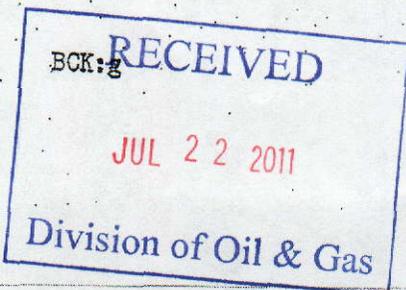
\_\_\_\_\_  
Lisle L. Wallace, Chairman

\_\_\_\_\_  
Wm. J. Scheidler

\_\_\_\_\_  
Earl W. Merry

Attest

\_\_\_\_\_  
Director





July 20, 2011

Mr. Herschel McDivitt  
Indiana Department of Natural Resources  
Division of Oil and Gas  
402 W Washington St, Room 293  
Indianapolis, IN 46204

RE: Revised Petition for Exception to Spacing Requirements  
1S-8W, 1N-8W, 1S-9W, 1N-9W, Pike County, Indiana

Dear Herschel,

Enclosed please find our revised Petition for an Exception to 312 IAC 16-5 (1, 2), General Oil and Gas Well Spacing Rules pertaining to the above referenced lands located in Clay and Madison townships, Pike County, Indiana. As submitted, this petition is inclusive of all sandstone oil producing formations above the McClosky limestone. The revisions made have addressed concerns for equity and protection of mineral rights owners, and also clarified the scope and extent of the Affected Area.

This petition is similar to other exceptions granted within this area for the purpose of recovering additional reserves from Union Bowman Consolidated field. Granting of this petition will further enhance the recovery of these reserves not only for Continental Resources, but also for other operators in the Affected Area.

If you have need of further information, please do not hesitate to contact me at 618-316-2026. We appreciate your consideration of this petition.

Very truly yours,

Michael E Payne  
Engineering/Operations Manager

Enclosures



EASTERN REGION

P.O. Box 749 • Mt. Vernon, IL 62864 • Phone: (618) 242-1717 • Fax (618) 242-7056