

**DECISION SHEET OF THE
OIL & GAS APPELLATE REFEREE**

FILED
JUL 11 2016

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

<u>APPLICANT:</u>	CONTINENTAL RESOURCES, INC.)	
)	
)	
<u>RELIEF SOUGHT:</u>	LOCATION EXCEPTION)	CAUSE CD NO.
)	201602091
)	
<u>LEGAL DESCRIPTION:</u>	SECTIONS 35 AND 26, TOWNSHIP 17 NORTH, RANGE 11 WEST, BLAINE COUNTY, OKLAHOMA)	
)	
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**ORAL APPEAL OF THE ADMINISTRATIVE LAW JUDGE' RULING
ON AN APPLICATION FOR EMERGENCY ORDER**

The Application for Emergency Order came on before **Michael L. Decker**, Administrative Law Judge ("ALJ"), for the Corporation Commission of the State of Oklahoma, on the 13th day of June, 2016, at 9:00 a.m. in the Commission's Courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma, pursuant to notice given as required by law and the rules of the Commission for the purpose of taking testimony and reporting to the Commission.

APPEARANCES: **David E. Pepper**, attorney, appeared for Continental Resources, Inc. ("Continental"); **Robert A. Miller**, attorney, appeared for protestant, Marathon Oil Co., L.L.C. ("Marathon"); and **James L. Myles**, Deputy General Counsel for Deliberations, filed notice of appearance.

The ALJ filed his Oral Report of the Administrative Law Judge on the 15th day of June, 2016, to which Exceptions were timely filed and proper notice given of the setting of the Exceptions.

The Oral Arguments concerning the Exceptions were referred to Patricia D. MacGuigan, Oil and Gas Appellate Referee ("Referee"), on the 29th day of June, 2016. After considering the arguments of counsel and the record contained within this Cause, the Referee finds as follows:

STATEMENT OF THE CASE

1) Cause CD 201602091 is the application of Continental for a location exception proposing to drill a multiunit horizontal well under 52 O.S. Section 87.7 in Sections 35 and 26, T17N, R11W, Blaine County, Oklahoma "in the shale reservoir, with a portion of the completion interval of such multiunit horizontal well to be located in one or more of the 640 acre drilling and spacing units formed for the common sources of supply", (See application 2.2) the Springer, Mississippian and Woodford. Continental proposed in its application to drill the multiunit well as follows:

Surface

Location: no closer than 260 feet from the north line and no closer than 380 feet from the east line of Section 3-16N-11W, Blaine County, Oklahoma

Section 35-17N-11W:

first

perforation: no closer than 150 feet from the south line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County Oklahoma

last

perforation: no closer than 0 feet from the north line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County Oklahoma

Section 26-17N-11W:

first

perforation: no closer than 0 feet from the south line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County, Oklahoma

last

perforation: no closer than 150 feet from the north line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County, Oklahoma

2) Prior to Continental's filing said location exception application on June 1, 2016, in CD 201602091 it had sent to Marathon a letter on December 15, 2015 and another letter on February 10, 2016, stating that its proposed well would be drilled from a surface location 200 feet from the south line and 1,650 feet

from the east line of Section 35-17N-11W. The Continental application which was filed on June 1, 2016, in CD 201602091, however, provided that the surface location would be no closer than 260 feet from the north line and no closer than 380 feet from the east line of Section 3-16N-11W, Blaine County, Oklahoma.

3) On June 6, 2016, Continental filed in the present cause an Application For a Emergency Order requesting that the order granting said location for a horizontal well be located at a surface location of "no closer than 260 feet from the north line and no closer than 380 feet from the east line of Section 3-16N-11W, Blaine County, Oklahoma." (See Application For Emergency Order ¶1). Marathon protested this emergency application. The protested motion was heard by ALJ Michael L. Decker on June 13, 2016, and he issued a written Oral Report of the Administrative Law Judge In Response To Application For Emergency Order on June 15, 2016. It was the recommendation of the ALJ that the emergency application of Continental should be denied.

4) In the present cause CD 201602091, Continental then filed an Amended Application on June 21, 2016. Said Amended Application proposed to drill the multiunit well in the Shale Reservoir as follows:

Surface

Location: no closer than 200 feet from the north line and no closer than 1,320 feet from the west line of Section 26-17N-11W, Blaine County, Oklahoma

Section 26-17N-11W:

first

perforation: no closer than 150 feet from the north line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County Oklahoma

last

perforation: no closer than 0 feet from the south line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County Oklahoma

Section 35-17N-11W:

first

perforation: no closer than 0 feet from the north line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County, Oklahoma

last
perforation: no closer than 150 feet from the south line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County, Oklahoma

Thus, the amended application changed the location from the original surface location in Section 3 to a surface location in Section 26-17N-11W, Blaine County, Oklahoma. The proposed hearing date for the new surface location is set before the Commission on July 18, 2016.

5) Further, Continental has filed in Cause CD 201602526 an application for a location exception in the same lands covered in the present CD 201602091 in Sections 35 and 26, T17N, R11W, Blaine County, Oklahoma. Said application was filed on June 23, 2016, by Continental for the Springer, Mississippian and Woodford in Sections 35 and 26 at the following location:

Surface

Location: no closer than 200 feet from the north line and no closer than 1,320 feet from the west line of Section 26-17N-11W, Blaine County, Oklahoma

Section 26-17N-11W:

first
perforation: no closer than 150 feet from the north line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County Oklahoma

last
perforation: no closer than 0 feet from the south line and no closer than 330 feet from the west line of Section 26-17N-11W, Blaine County Oklahoma

Section 35-17N-11W:

first
perforation: no closer than 0 feet from the north line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County, Oklahoma

last
perforation: no closer than 150 feet from the south line and no closer than 330 feet from the west line of Section 35-17N-11W, Blaine County, Oklahoma

As can be seen, the surface location Cause CD 201602526 is the exact same location as requested in Continental's June 21, 2016 amended application in the present Cause CD 201602091. The hearing date set for the Continental application for location exception in Cause CD 201602526 is set on the same date as in the present cause on July 18, 2016.

DECISION OF THE OIL & GAS APPELLATE REFEREE

Due to the Amended Application filed on June 21, 2016, by Continental in this cause changing the location exception from the surface location in Section 3 to Section 26-17N-11W, Blaine County, Oklahoma, the Referee finds that the Application For Emergency Order filed by Continental in the present case is now moot. None of the facts that are present now within the amended application and new application are pertinent and present now at this time in the June 7, 2016 Application For Emergency Order. It all will be started over again at a different location somewhere else. It is therefore moot. This particular appeal concerning the location in Cause CD 201602091 Application For Emergency Order is moot as the surface location has now been changed from Section 3 to Section 26-17N-11W, Blaine County, Oklahoma. There will not be any decision concerning the requested emergency location as the location is not going to be where it was originally requested in the Application For Emergency Order. It has been changed. Because of Continental's requested changes, the Application For Emergency Order in the present cause is in the Referee's opinion moot and not viable.

RESPECTFULLY SUBMITTED THIS 11th day of July, 2016.


Patricia D. MacGuigan
OIL & GAS APPELLATE REFEREE

PM:ac

xc: Commissioner Anthony
Commissioner Murphy
Commissioner Hiatt
James L. Myles
David E. Pepper
Robert A. Miller
Michael L. Decker, ALJ/OAP Director
Oil-Law Records