

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
HELENA, MONTANA

CONSERVATION AND PREVENTION )  
OF WASTE OF OIL AND GAS )

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold a business meeting at 2:00 p.m., Wednesday, May 17, 2000, at its office located at 2535 St. Johns Avenue, Billings, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of April 5, 2000, business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Coal bed methane update
7. Administratively approved applications
8. Staff reports

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m., Thursday, May 18, 2000, in the Billings Petroleum Club, Sheraton Hotel, Billings, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6675 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket No. 60-2000

**APPLICANT: BRANCH OIL AND GAS – LIBERTY COUNTY, MONTANA**

Upon the application of **BRANCH OIL AND GAS** to pool all interests in the production of natural gas from Section 10, T35N-R4E, Liberty County, Montana, a spacing unit within the Haystack Butte Gas Field, and to impose the non-joinder penalties provided by Section 82-11-202 (2), MCA.

Docket No. 61-2000

**APPLICANT: XENO, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **XENO, INC.** to designate the S½ of Section 16 and the N½ of Section 21, T35N-R19E, Blaine County, Montana, as a permanent spacing unit for the production of natural gas from the Eagle Formation and for permission to drill, complete, and produce up to four wells per producing zone, formation, or horizon within said permanent spacing unit as to all zones, formations, or horizons from the surface of the earth to the top of the Mowry Formation. Applicant further requests permission to commingle natural gas from multiple zones, formations, or horizons.

Docket No. 62-2000

**APPLICANT: HAWLEY OIL – TETON COUNTY, MONTANA**

Upon the application of **HAWLEY OIL** for a Class II saltwater disposal permit for its Munson #5 well (API # 25-099-21069) in Section 22, T27N-R4W, Teton County, Montana. The source of the injected fluids will be produced water from the Madison Formation in the Pondera Field. The proposed disposal zone is the Madison Formation at a depth of 2009 to 2027 feet.

Docket No. 63-2000

**APPLICANT: HAWLEY OIL – PONDERA COUNTY, MONTANA**

Upon the application of **HAWLEY OIL** for a Class II saltwater disposal permit for its Jones 8 #4 well in Section 8, T27N-R4W, Pondera County, Montana (API # 25-073-60048). The source of the injected fluids will be produced water from the Madison Formation in the Pondera Field. The proposed disposal zone is the Madison Formation at a depth of 2000 to 2045 feet.

Docket No. 64-2000

**APPLICANT: KLABZUBA OIL & GAS, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill a gas well 661 FSL and 1948 FWL of Section 6, T25N-R20E, Blaine County, Montana, with a 75 tolerance for topographic reasons as an exception to the Leroy Field rules and to Order 18-2000.

Docket No. 65-2000

**APPLICANT: KLABZUBA OIL & GAS, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate all of Section 1, T33N-R18E, Blaine County, Montana, as a permanent spacing unit for the production of gas from the Eagle Sand Formation. Applicant further requests that its Mitchell #1-33-18 well be designated as the permitted well for production from said formation within the permanent spacing unit.

Docket No. 66-2000

**APPLICANT: KLABZUBA OIL & GAS, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **KLABZUBA OIL & GAS, INC.** to pool all interests in the spacing unit comprised of Section 1, T33N-R18E, Blaine County, Montana, for production of gas from the Eagle Sand Formation and to impose the non-joinder penalties provided by Section 82-11-202 (2), MCA.

Docket No. 67-2000

**APPLICANT: J.E. AND JOANNE DEWALD – HILL COUNTY, MONTANA**

Upon the application of **J.E. AND JOANNE DEWALD** to designate the N½ of Section 35, T34N-R14E, Hill County, Montana, as a 320 acre temporary spacing unit and to permit the drilling of an Eagle Formation gas test well in said unit at a location not less than 660 feet from the exterior boundaries thereof as an exception to A.R.M. 36.22.702.

Docket No. 68-2000

**APPLICANT: BEVERLY A. HOEHN RIEBE – BLAINE COUNTY, MONTANA**

Upon the application of **BEVERLY A. HOEHN RIEBE** to designate the SE¼ of Section 23, T34N-R17E, Blaine County, Montana, as a temporary spacing unit and to drill an Eagle Formation gas test well in said unit at a location not less than 660 feet from the exterior boundaries thereof as an exception to A.R.M. 36.22.702.

Docket No. 69-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 30-4 well located 660 FNL and 620 FSL of the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 30, T9S-R54E, Powder River County, Montana.

Docket No. 70-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 19-6 well located 1980 FNL and 1893 FWL of the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 19, T9S-R54E, Powder River County, Montana.

Docket No. 71-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 19-10 well located 1980 FSL and 1980 FEL of the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 19, T9S-R54E, Powder River County, Montana.

Docket No. 72-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 19-13 well located 660 FSL and 618 FWL of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 19, T9S-R54E, Powder River County, Montana.

Docket No. 73-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 19-11 well located 1980 FSL and 1897 FWL of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 19, T9S-R54E, Powder River County, Montana.

Docket No. 74-2000

**APPLICANT: RICHARDSON OPERATING COMPANY – POWDER RIVER COUNTY, MONTANA**

Upon the application of **RICHARDSON OPERATING COMPANY** to resume injection of produced water into its Unit E 19-3 well located 660 FNL and 1980 FWL of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 19, T9S-R54E, Powder River County, Montana.

Docket No. 75-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – CHOUTEAU COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle-Virgelle Formation gas well at a location 2217 FWL and 1067 FSL in the W $\frac{1}{4}$  of Section 25, T27N-R15E, Chouteau County, Montana, as an exception to the Bullwacker Field rules. Applicant also requests a 75 foot tolerance in any direction for topographic or geologic reasons.

Docket No. 76-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – CHOUTEAU COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle-Virgelle Formation gas well at a location 1980 FWL and 1980 FSL in the S $\frac{1}{2}$  of Section 27, T27N-R15E, Chouteau County, Montana, with a 150 foot tolerance in any direction for topographic or geologic reasons.

Docket No. 77-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill its US # 6-4-27-19 well at a location 2019 FNL and 695 FWL in Section 6, T27N-R19E, Blaine County, Montana, as an exception to Board Order 65-85.

Docket No. 78-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – HILL COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill three additional Eagle Sand Formation gas wells on a quarter section basis within Section 14, T32N-R15E, Hill County, Montana, with 660 foot setbacks from the section line and minimum setbacks of 660 feet from the interior quarter section lines with a 75 foot tolerance in any direction for topographic or geologic reasons.

Docket No. 79-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – HILL COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle-Virgelle Formation gas well anywhere within the SW $\frac{1}{4}$  of Section 20, T32N-R15E, Hill County, Montana, but not closer than 660 feet to the boundaries of said quarter section with a 75 foot tolerance in any direction for topographic or geologic reasons.

Docket No. 80-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – HILL COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional well in the NW $\frac{1}{4}$  of Section 29, T32N-R14E, Hill County, Montana, not closer than 660 feet to the boundaries of said quarter section with a 75 foot tolerance for topographic or geologic reasons as an exception to A.R.M. 36.22.702.

Docket No. 81-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand gas well at a location 660 FWL and 660 FSL of Section 13, T27N-R18E, Blaine County, Montana, with a 75 foot tolerance in any direction for topographic or geologic reasons as an exception to the Sawtooth Mountain Field rules.

Docket No. 82-2000

**APPLICANT: OCEAN ENERGY RESOURCES, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle Sand gas well at a location 1600 FEL and 551 FSL of Section 22, T27N-R18E, Blaine County, Montana, with a 75 foot tolerance in any direction for topographic or geologic reasons as an exception to the Sawtooth Mountain Field rules.

Docket No. 96-99  
Continued from October 28, 1999

**APPLICANT: NORTHERN OIL PRODUCTION, INC. - SHERIDAN COUNTY, MONTANA**

Upon the application of **NORTHERN OIL PRODUCTION, INC.** to designate the NE3 of Section 14, T34N-R56E, Sheridan County, Montana, as the spacing unit for production from the #1 Larsh well in said quarter section as an exception to A.R.M. 36.22.702 (4). The #1 Larsh well is producing from the Red River Formation. Applicant further requests that the Board determine that the 160 acre spacing unit shall apply to all formations capable of production in the above described location and spacing unit.

Docket No. 117-99  
Continued from December 9, 1999

**APPLICANT: KLABZUBA OIL & GAS, INC. - BLAINE COUNTY, MONTANA**

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate all of Section 29, T34N-R18E, Blaine County, Montana, as a permanent spacing unit for the production of gas from the Eagle Sand Formation and designating applicant's Federal #29-34-18 well located 990 FNL and 1400 FWL with a 75 foot topographic tolerance as a permitted well for said permanent spacing unit and granting increased density authority for a second Eagle Sand Formation gas well to be drilled at a location anywhere in the SW3 of said permanent spacing unit but not closer than 990 feet to the spacing unit boundary nor closer than 660 feet to the East-West quarter section boundary thereof

Docket No. 46-2000  
Continued from April 6, 2000

**APPLICANT: BOWERS OIL & GAS, INC. – FALLON COUNTY, MONTANA**

Upon the application of **BOWERS OIL & GAS, INC.** to delineate Sections 6 and 8 of T4N-R61E, and Section 34, T5N-R60E, Fallon County, Montana, as a field for the production of gas from the Eagle Formation and to establish regular governmental quarter section (160 acre) spacing units for production from the Eagle Formation in said field.

Docket No. 58-2000  
Order to Show Cause  
Continued from April 6, 2000

**RESPONDENT: C-W OIL AND GAS – TOOLE COUNTY, MONTANA**

Upon the Board's own motion requiring **C-W OIL AND GAS** to appear and show cause why it should not be required to immediately proceed to clean up and restore the surface of certain oil and gas leases in the Kevin-Sunburst Field, Toole County, Montana.

Docket No. 59-2000  
Order to Show Cause  
Continued from April 6, 2000

**RESPONDENT: FULTON FUEL COMPANY – HILL COUNTY, MONTANA**

Upon the Board's own motion requiring **FULTON FUEL COMPANY** to appear and show cause why it has failed to properly plug and abandon its well in the SE¼ of Section 8, T33N-R14E, Hill County, Montana.

Docket No. 83-2000  
Order to Show Cause

**RESPONDENT: FULTON COMPANIES – LIBERTY, PONDERA, TETON AND TOOLE COUNTIES, MONTANA**

Upon the the Board's order requiring **FULTON COMPANIES** to appear and show cause why they should not be penalized for failure to renew certain pit permits and failure to obtain permits for new earthen pits in Liberty, Pondera, Teton and Toole Counties, Montana.

Docket No. 84-2000  
Order to Show Cause

**RESPONDENT: AMOCO PRODUCTION COMPANY – CARBON COUNTY, MONTANA**

Upon the Board's order requiring **BP AMOCO** to appear and show cause why it should not be penalized for its failure to file a Subsequent Report of Abandonment on its Frontier EBFR2-005 well in Section 35, T9S-R23E, Carbon County, Montana (API # 25-009-06420).

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary