

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 30, 2001, 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 4, 2001 business meeting
3. Opportunity for public comment
4. Election of Vice-Chairman
5. Oaths of Office
6. Bond report
7. Financial report
8. Legal Services Contract
9. Coal bed methane update
10. Programmatic EIS update status
11. 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 31, 2001, 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. 88-2001

**APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY – FALLON COUNTY, MONTANA**

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY** to create permanent 320 acre spacing units for production of natural gas from the Eagle Formation underlying the following described lands in Fallon County, Montana.

T9N-R58E	T10N-R57E	T10N-R58E	T11N-R58E
Section 1	Section 1	Section 5	Section 31
Section 3		Section 7	
Section 9		Section 9	
Section 11		Section 15	
Section 13		Section 17	
Section 15		Section 19	
		Section 21	
		Section 27	
		Section 29	
		Section 33	
		Section 35	

Applicant requests that said 320 acre permanent spacing units be comprised, at the option of the operator, of two adjacent quarter sections lying within the above described Sections and that two wells be permitted for each spacing unit, each well to be located not closer than 660 feet to the spacing unit boundaries.

Docket No. 89-2001

**APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY – FALLON COUNTY, MONTANA**

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY** for permission to convert its East Lookout Butte #14-36 unit well to an injector for the purpose of water disposal. Applicant has requested an aquifer exemption as to the Lodgepole/Fossil Bank Formation surrounding said well which is located 660' FSL and 660' FWL of Section 36, T7N-R60E, Fallon County, Montana. If no protest to the application is made, the applicant intends to present its evidence in support of its application by affidavit. Anyone desiring to protest or question witnesses is asked to notify applicant as soon as possible.

Docket No. 90-2001

**APPLICANT: ARMSTRONG OPERATING INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **ARMSTRONG OPERATING INC.** to designate Lots 1 and 2, S½NE¼, SE¼ of Section 18, T23N-R54E, Richland County, Montana, as a permanent spacing unit for production of oil from the Red River Formation. Applicant further requests that its Verschoot 18-1 well located 510 feet from the East boundary and 2540 feet from the South boundary of said Section be the designated well for the permanent spacing unit.

Docket No. 91-2001

**APPLICANT: SOMONT OIL CO., INC. – TOOLE COUNTY, MONTANA**

Upon the application of **SOMONT OIL CO., INC.** to enlarge the Kevin-Sunburst Bow Island Gas Field to include Section 14, T36N-R4W, Toole County, Montana; to enlarge the Amanda Gas Field established by Board Orders 76-79, 25-83, 1-85, 25-88, 42-88, 2-89, 29-91, 63-91 and 1-94, to include Section 22, T36N-R4W, Toole County, Montana, for all formations below the Bow Island to and including the Swift; and to increase the drilling density in Sections 9 and 15, T36N-R4W, Toole County, Montana, to one well per quarter section with each well to be drilled not closer than 660 feet to the section line with a 75 foot topographic allowance.

Docket No. 92-2001

**APPLICANT: SINCLAIR OIL CORPORATION – ROOSEVELT COUNTY, MONTANA**

Upon the application of **SINCLAIR OIL CORPORATION** to designate the E½SW¼ of Section 31, T30N-R48E, Roosevelt County, Montana, as a permanent spacing unit for production of oil and gas from the Nisku Formation and designating the Jensen No. 14-31 well as the permitted well for said permanent spacing unit. If no protest to the application is made, applicant intends to present evidence by affidavit. Anyone desiring to protest or question witnesses is asked to notify applicant as soon as possible.

Docket No. 93-2001

**APPLICANT: JURASSIC RESOURCES DEVELOPMENT NORTH AMERICA – FALLON COUNTY, MONTANA**

Upon the application of **JURASSIC RESOURCES DEVELOPMENT NORTH AMERICA** to enlarge the Pine Gas Field established by Board Orders 35-54, 37-62, 37-62A and 16-97 to include the W½ of Section 25, T11N-R57E, Fallon County, Montana, within said field and to further amend said Pine Gas Field rules to provide that spacing units for production from formations from 700 to 2750 in depth be established at one well per regular quarter

section with each well to be located anywhere within the spacing unit but not less than 660 feet to a spacing unit boundary with a topographic tolerance of 460 feet.

Docket No. 94-2001

**APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP – RICHLAND COUNTY, MONTANA**

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to drill and produce a Red River Formation test well in the Crane Field spacing unit consisting of the N½ of Section 2, T21N-R58E, Richland County, Montana, as an exception to the Crane Field rules established by Board Order 40-79. Applicant's proposed well is a horizontal test well within the Red River Formation and may not comply with the setback and inter-well distances established by the Crane Field rules.

Docket No. 95-2001

**APPLICANT: ROBINSON OIL COMPANY, LLC – LIBERTY COUNTY, MONTANA**

Upon the application of **ROBINSON OIL COMPANY, LLC** to transfer the bonding obligation for the Jessie Millen No. 1 well in the NWNE of Section 24, T37N-R5E, Liberty County, Montana, from Fulton Producing Company and/or Fulton Fuel Company to Robinson Oil Company, LLC. Applicant further requests that the Board not authorize the plugging and abandoning of the above-mentioned well pending hearing of this matter.

Docket No. 96-2001

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

Upon the application of **XENO, INC.** to drill a well to test for the presence of natural gas at a location 264' FSL and 1645' FEL of Section 36, T35N-R21E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93.

Docket No. 97-2001

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

Upon the application of **XENO, INC.** to enlarge the Battle Creek Gas Field established by Board Orders 40-86 and 76-92 to include all of Sections 11, 12, 13 and 14, T36N-R19E, Blaine County, Montana.

Docket No. 98-2001

**APPLICANT: BERCO RESOURCES, LLC – SHERIDAN COUNTY, MONTANA**

Upon the application of **BERCO RESOURCES, LLC** to drill a Red River "C" horizontal test well in the S½ of Section 7, T33N-R57E, Sheridan County, Montana, with a projected drainhole beginning 1254' FEL and 504' FSL and ending 2360' FEL and 2100' FSL of said Section as an exception to A.R.M. 36.22.703.

Docket No. 99-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle-Virgelle Formation gas well 1006' FEL and 2232' FSL of Section 28, T27N-R18E, Blaine County, Montana, with a 100 foot tolerance in any direction for topographic reasons as an exception to the Sawtooth Mountain Field rules established by Board Orders 26-74 and 24-99.

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand Formation gas well in Section 5, T29N-R15E, Hill County, Montana, 700' FWL and 2250' FSL of said Section 5 as an exception to A.R.M. 36.22.702. The subject section is Indian land and the decision in this docket will be made by the United States Bureau of Land Management.

Docket No. 101-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand Formation gas well 1200' FNL and 1900' FEL of Section 7, T25N-R18E, Blaine County, Montana, with a 75 foot topographic tolerance in any direction as an exception to A.R.M. 36.22.702.

Docket No. 102-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand Formation gas well 993' FSL and 1653' FWL of Section 7, T25N-R18E, Blaine County, Montana, with a 75 foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 103-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand Formation gas well anywhere in the NE¼ of Section 28, T25N-R19E, Blaine County, Montana, but not closer than 150 feet to the spacing unit boundaries as an exception to A.R.M. 36.22.702.

Docket No. 104-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an Eagle-Virgelle Formation gas well anywhere within the spacing unit comprised of the E½ of Section 28, T27N-R17E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundary as an exception to Board Order 26-74 which established the Bullwacker Field rules.

Docket No. 105-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to establish 160 acre temporary spacing units in Section 20, T27N-R18E, Blaine County, Montana, said spacing units to be comprised of regular governmental quarter sections with 990 foot setbacks from the section line and minimum setbacks of 660 feet from the interior quarter section boundary lines thereof with a 150 foot tolerance in any direction for topographic reasons. A reference is made to Board Order 95-2000, which authorized applicant to drill its Moore #20-16-27-18 well within said Section 20.

Docket No. 106-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to drill an additional Eagle Sand Formation gas well within the spacing unit comprised of the NW¼ of Section 35, T30N-R15E, Hill County, Montana, 864' FNL and 202' FWL of said Section 35, with a 75 foot tolerance in any direction for topographic reasons as an exception to the Tiger Ridge Field rules established by Board Orders 26-74 and 30-89.

Docket No. 107-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to remove Sections 18, 19, and 30 of T32N-R14E, Hill County, Montana, from the Laredo Field established by Board Order 8-74, to designate the S½ of Section 19 and the N½ of Section 30 as a temporary spacing unit, and to authorize applicant to drill an Eagle Sand Formation gas well within said tract 100' FNL and 2400' FWL of said Section 30 with a 75 foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702. Alternatively, applicant requests permission to drill an Eagle Sand Formation gas well 100' FNL and 2400' FWL of said Section 30 with a 75 foot tolerance in any direction for topographic reasons as an exception to the Laredo Field rules.

Docket No. 108-2001

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

Upon the application of **OCEAN ENERGY RESOURCES, INC.** to permit the drilling of an additional Eagle Sand Formation gas well 748' FSL and 2144' FWL of Section 19, T31N-R17E, Hill County, Montana, with a 75 foot tolerance in any direction for topographic reasons as an exception to Board Orders 23-68 and 23-89, which established the Tiger Ridge Field.

Docket No. 109-2001

**APPLICANT: MILLER EXPLORATION COMPANY – GLACIER COUNTY, MONTANA**

Upon the application of **MILLER EXPLORATION COMPANY** for an order delineating the NE¼ of Section 21, the NW¼ of Section 22, and the NW¼ of Section 27, all in T34N-R10W, Glacier County, Montana, as 160 acre temporary spacing units for gas production from formations from the surface to a depth of 950 feet, with the permitted well for each unit to be located not closer than 660 feet to the spacing unit boundaries with a 150 foot tolerance in any direction for topographic reasons. Applicant states it will file applications for drilling permits for said tracts prior to the hearing and asks that any demands for a hearing filed during the ten day period following publication of said notice be heard at the hearing of this application. Applicant further states that, if no protest to the application is made, it intends to present evidence by affidavit testimony and asks that anyone desiring to protest or question witnesses notify applicant as soon as possible.

Docket No. 110-2001

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an additional Eagle Sand Formation gas well in the SW¼ of Section 1, T33N-R18E, Blaine County, Montana, but not closer than 500 feet to the spacing unit

boundary as an exception to Board Orders 62-2000 and 122-2000.

Docket No. 111-2001

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an Eagle Sand Formation gas well 900' FSL and 1900' FEL of Section 21, T35N-R14E, Hill County, Montana, with a 150 foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 112-2001

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill a gas well 225' FNL and 990' FWL of Section 22, T35N-R14E, Hill County, Montana, with a 75 foot tolerance in any direction for topographic reasons and to designate the N½ of said Section 22 as a temporary spacing unit for production of gas from the Eagle Sand Formation.

Docket No. 113-2001

**APPLICANT: FIDELITY EXPLORATION AND PRODUCTION COMPANY – FALLON COUNTY, MONTANA**

Upon the application of **FIDELITY EXPLORATION AND PRODUCTION COMPANY** to waive the spacing rules for the Cedar Creek Unit 8A in the Cedar Creek Gas Field in Fallon County, Montana, as established by Board Orders 1-61 and 61-98. Applicant asks that the rules requiring internal spacing units be waived and to allow applicant to drill wells at locations of its choice within said Cedar Creek Unit 8A as long as any said well is not located closer than 660 feet to the exterior boundaries of the Unit.

Docket No. 114-2001

**APPLICANT: FIDELITY EXPLORATION AND PRODUCTION COMPANY – FALLON COUNTY, MONTANA**

Upon the application of **FIDELITY EXPLORATION AND PRODUCTION COMPANY** to amend the Cedar Creek Gas Field rules established by Board Orders 1-61 and 4-97 to allow three wells per spacing unit, anywhere within a spacing unit but not closer than 660 feet to a spacing unit boundary, in the following described lands in Fallon County, Montana.

**T6N-R60E**

- Section 22: E½
- Section 23: All
- Section 24: W½
- Section 25: All
- Section 26: All

Docket No. 115-2001

**APPLICANT: FIDELITY EXPLORATION AND PRODUCTION COMPANY – FALLON COUNTY, MONTANA**

Upon the application of **FIDELITY EXPLORATION AND PRODUCTION COMPANY** to amend the Cedar Creek Gas Field rules established by Board Orders 1-61 and 4-97 to designate the N½ of Section 25, T9N-R58E, Fallon County, Montana, as a drilling and production spacing unit, and to delete the requirement providing that Eagle Sand Formation gas wells within the N½ of Section 25 be located not closer than 1320 feet to any producing Eagle Sand gas well.

Docket No. 71-2001  
Continued from April, 2001

**APPLICANT: ATHENA ENERGY L.L.C. – HILL COUNTY, MONTANA**

Upon the application of **ATHENA ENERGY L.L.C.** to delineate all of Section 25, T37N-R9E, Hill County, Montana, as a permanent spacing unit with special field rules established therefor authorizing applicant to drill, complete and produce its proposed Schaller 43-25 natural gas test well at a location 2180 feet FSL and 630 feet FEL of said Section 25.

Docket No. 72-2001  
Continued from April, 2001

**APPLICANT: ATHENA ENERGY L.L.C. – HILL COUNTY, MONTANA**

Upon the application of **ATHENA ENERGY L.L.C.** to designate all of Section 18, T37N-R11E, Hill County, Montana, as a permanent spacing unit with special field rules established therefor authorizing applicant to drill, complete and produce its proposed McIntosh 43-18 natural gas test well at a location 2400 feet FSL and 660 feet FEL of said Section 18.

Docket No. 87-2001  
Continued from April, 2001

**APPLICANT: NEXEN OIL AND GAS U.S.A., INC. - SHERIDAN COUNTY, MONTANA**

Upon the application of **NEXEN OIL AND GAS U.S.A., INC.** to designate Lots 1, 2, 7, 8, 9, and 10, (NE¼) of Section 6, T37N-R58E, Sheridan County, Montana, as a permanent spacing unit for commingled production from the Red River and Nisku formations and designating the No. 7 Anderson well as the permitted well for said spacing unit.

Docket No. 5-2001 "B"  
Continued from February, 2001

**APPLICANT: NEXEN OIL AND GAS U.S.A., INC. – SHERIDAN COUNTY, MONTANA**

Upon the application of **NEXEN OIL AND GAS U.S.A., INC.** to amend the secondary parameters for the Flat Lake Nisku Unit and to declare that amendment of the Unit Plan of Operation is not subject to approval under provisions of Section 82-11-207, MCA.

Docket No. 192-2000  
Continued from December, 2000

**APPLICANT: BALD EAGLE RESOURCES, INC. – LIBERTY COUNTY, MONTANA**

Upon the application of **BALD EAGLE RESOURCES, INC.** to drill an additional well in the existing 640 acre pooled unit described as all of Section 33, T35N-R7E, Liberty County, Montana. The proposed additional well will be drilled in the NE¼ of said Section 33 and completed in the same formations and zones as the currently producing

Mlinar B #1 well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Section 33. Applicant also requests the Board to designate the S $\frac{1}{2}$  of Section 28, T35N-R7E, Liberty County, Montana, as a 320 acre spacing unit for a well to test the Spike Sand and one or more of the Bow Island Sands.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary