

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
LYCO ENERGY CORPORATION TO DELINEATE
SECTION 3, T23N-R57E, RICHLAND COUNTY,
MONTANA, AS A FIELD AND PERMANENT
SPACING UNIT FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE BAKKEN
FORMATION. [MUSTANG (BAKKEN) FIELD]

ORDER NO. 145-2001

Docket No. 116-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 3, T23N-R57E, Richland County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill and produce no more than two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the exterior boundaries of said spacing unit.

IT IS FURTHER ORDERED that said spacing unit is added to the Mustang (Bakken) Field.

BOARD ORDER NO. 145-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
LYCO ENERGY CORPORATION TO DELINEATE
SECTION 11, T24N-R55E, RICHLAND COUNTY,
MONTANA, AS A FIELD AND PERMANENT
SPACING UNIT FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION. [GIRARD (BAKKEN) FIELD]

ORDER NO. 146-2001

Docket No. 117-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 11, T24N-R55E, Richland County, Montana, is delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

IT IS FURTHER ORDERED that said spacing unit is delineated as the Girard (Bakken) Field.

BOARD ORDER NO. 146-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF LYCO
ENERGY CORPORATION TO DELINEATE SECTION 34,
T24N-R57E, RICHLAND COUNTY, MONTANA, AS A
FIELD AND PERMANENT SPACING UNIT FOR
PRODUCTION OF OIL AND ASSOCIATED NATURAL
GAS FROM THE BAKKEN FORMATION. [MUSTANG
(BAKKEN) FIELD]

ORDER NO. 147-2001

Docket No. 118-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. The evidence establishes that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 34, T24N-R57E, Richland County, Montana, is delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

IT IS FURTHER ORDERED that said spacing unit is added to the Mustang (Bakken) Field.

BOARD ORDER NO. 147-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
CHOCTAW II OIL AND GAS, LTD. TO
DESIGNATE THE NE¼ OF SECTION 7 AND
THE N½ OF SECTION 8, T26N-R59E,
RICHLAND COUNTY, MONTANA, AS A
SPACING UNIT FOR PRODUCTION OF OIL
AND ASSOCIATED NATURAL GAS FROM
THE RATCLIFFE FORMATION AND TO
DESIGNATE ITS JACOBSON 7-41H WELL
AS THE ONLY PERMITTED WELL FOR
SAID SPACING UNIT.

ORDER NO. 148-2001

Docket No. 119-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NE¼ of Section 7 and the N½ of Section 8, T26N-R59E, Richland County, Montana, is designated as a spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

IT IS FURTHER ORDERED that applicant's Jacobson 7-41H well is designated as the only permitted well for said spacing unit.

IT IS FURTHER ORDERED that this order does not apply to federal lands until the operator has submitted and received approval of a communitization agreement from the appropriate federal agency.

BOARD ORDER NO. 148-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
SAGEBRUSH OPERATING, LLC TO DELINEATE
AN EAGLE FORMATION GAS FIELD IN FALLON
COUNTY, MONTANA, AND TO ESTABLISH FIELD
RULES THEREFOR. [GAS LIGHT FIELD]

ORDER NO. 149-2001

Docket No. 120-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the following described lands in Fallon County, Montana, are delineated as a field for production of gas from the Eagle Formation.

Section 6, T2N-R62E
Section 31, T3N-R62E
Section 36, T3N-R61E
Section 25, T3N-R61E
Section 26, T3N-R61E
Section 23, T3N-R61E
Section 22, T3N-R61E
Section 15, T3N-R61E
Section 10, T3N-R61E
Section 9, T3N-R61E

IT IS FURTHER ORDERED that spacing units for said field shall consist of the sections set forth above with the provision that up to four wells may be drilled in each section provided that no well is drilled closer than 660 feet to the exterior boundaries of the section.

THE BOARD NOTES the written protest of Mr. Truman Gary Rusley of Baker, Montana. The applicant and this Board recognize that Mr. Rusley has a legitimate concern but the questions he raises are within the jurisdiction of a civil court and beyond the powers of this Board.

BOARD ORDER NO. 149-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF SUNCOR
ENERGY NATURAL GAS (AMERICA), INC. TO DRILL
CERTAIN COAL BED METHANE TEST WELLS IN
POWDER RIVER COUNTY, MONTANA.

ORDER NO. 150-2001

Docket No. 121-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Applicant is the successor in interest to Powder River Gas, LLC, which was granted the authority to drill certain coal bed methane test wells in Powder River and Big Horn Counties, Montana, by Board Order 22-2001. Applicant requests that some of the locations authorized in said Board Order 22-2001 be changed.
3. Granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Suncor Energy Natural Gas (America), Inc. is authorized to drill stratigraphic boreholes and test wells to test the coal bed methane and shallow gas resources on Suncor's Castlerock prospect at the following described locations:

Stratigraphic Borehole, Type A

2A State	NWNWSW of Section 36, T6S-R49E
3A Fee	NWNESE of Section 22, T5S-R49E
5A State	SENE of Section 29, T4S-R49E
6A State	NWNWSE of Section 36, T3S-R48E
7A State	NESWNE of Section 36, T3S-R47E
8A Fee	NE or NW of Section 14, T4S-R48E
13A State	SENE of Section 16, T5S-R45E
14A State	NENWNE of Section 36, T5S-R45E

BOARD ORDER NO. 150-2001

Stratigraphic Borehole, Type B

1B Fee	SESENW of Section 4, T6S-R49E
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Stratigraphic Test Well, Type AP

5AP Fee	SWNWSE of Section 18, T5S-R48E
6AP Fee	SESENE of Section 18, T6S-R48E

Stratigraphic Test Well, Type P

1P Fee	NWNENW of Section 18, T5S-R48E
2P Fee	NESWSW of Section 18, T5S-R48E
3P Fee	SWNESE of Section 18, T5S-R48E
4P Fee	SWNENE of Section 18, T5S-R48E
6P Fee	SESWSW of Section 18, T6S-R48E
7P Fee	SESWSE of Section 18, T6S-R48E
8P Fee	NESENW of Section 17, T6S-R48E

IT IS FURTHER ORDERED THAT the following described locations authorized by Board Order 22-2001 are withdrawn.

COUNTY	TWP	RNG	SEC	LOCATION	WELL NAME	PROSPECT	TOPO MAP
Powder River	6S	49E	36	NWNWSW	#2	Yarger	Yarger Butte
Powder River	5S	48E	7	SESW	#5	Sonnette	Sonnette
Powder River	4S	49E	29	SENE	#2	Serviceberry	Esple
Powder River	3S	48E	36	NWNWSE	#2	Leslie	Leslie Creek
Powder River	3S	47E	36	SWNE	#3	Samuelson	Sonnette
Powder River	4S	49E	16	NENESW	#2	Esple	Esple
Powder River	5S	47E	1	NENE	#1	Sugar Run	Sonnette
Powder River	5S	47E	1	NWNE	#2	Sugar Run	Sonnette
Powder River	6S	49E	4	NESW	#7	Wilson	Yarger Butte
Powder River	5S	48E	18	NWNW	#6	Sonnette	Sonnette
Powder River	6S	48E	18	SENE	#1	Bailey Hill	Phillips Butte
Powder River	5S	48E	18	NENW	#7	Sonnette	Sonnette
Powder River	5S	48E	18	SWNW	#8	Sonnette	Sonnette
Powder River	5S	48E	18	SENE	#9	Sonnette	Sonnette
Powder River	5S	48E	7	SWSW	#4	Sonnette	Sonnette
Powder River	6S	48E	18	SESE	#5	Bailey Hill	Phillips Butte
Powder River	6S	48E	18	SWSE	#4	Bailey Hill	Phillips Butte
Powder River	6S	48E	17	NWSW	#7	Bailey Hill	Phillips Butte

BOARD ORDER NO. 150-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF J. BURNS
BROWN OPERATING COMPANY TO DRILL A SECOND
EAGLE GAS TEST WELL IN SECTION 13, T34N-R18E,
BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO
A.R.M. 36.22.702.

ORDER NO. 151-2001

Docket No. 123-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that J. Burns Brown Operating Company is authorized to drill a second Eagle Formation gas test well in Section 13, T34N-R18E, Blaine County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 151-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF J. BURNS
BROWN OPERATING COMPANY TO DESIGNATE THE
SW¼ OF SECTION 23, T34N-R17E, BLAINE COUNTY,
MONTANA, AS A 160 ACRE TEMPORARY SPACING
UNIT FOR THE EAGLE FORMATION AND TO PERMIT
THE DRILLING OF AN EAGLE GAS TEST WELL NOT
LESS THAN 660 FEET FROM THE EXTERIOR BOUNDARIES
OF SAID TEMPORARY SPACING UNIT AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 152-2001

Docket No. 124-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SW¼ of Section 23, T34N-R17E, Blaine County, Montana, is designated as a 160 acre temporary spacing unit for the Eagle Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill an Eagle Formation gas test well in said temporary spacing unit at a location 1000' FWL and 600' FSL of said temporary spacing unit with a topographic tolerance of up to 75 feet to the North or East of said location.

BOARD ORDER NO. 152-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
ARMSTRONG OPERATING INC. TO DESIGNATE
THE E½ OF SECTION 18, T23N-R54E, RICHLAND
COUNTY, MONTANA, AS A PERMANENT SPACING
UNIT FOR THE PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE RED RIVER FORMATION
AND TO DESIGNATE ITS VERSCHOOT 18-1 WELL
AS THE PERMITTED WELL WITHIN SAID SPACING UNIT.
[LANE FIELD]

ORDER NO. 153-2001

Docket No. 90-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 18, T23N-R54E, Richland County, Montana, is designated as a permanent spacing unit for production of oil and associated gas from the Red River Formation.

IT IS FURTHER ORDERED that applicant's Verschoot 18-1 well is designated as the permitted well within said spacing unit.

BOARD ORDER 153-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF OCEAN
ENERGY RESOURCES, INC. TO DRILL ITS WEAVER
#28-10-27-16 WELL TO THE EAGLE-VIRGELLE
FORMATION AT A LOCATION 2600' FSL AND
1790' FEL OF SECTION 28, T27N-R16E, CHOUTEAU
COUNTY, MONTANA, WITH A 200 FOOT TOPOGRAPHIC
TOLERANCE AS AN EXCEPTION TO BOARD
ORDER 26-74. [BULLWACKER FIELD]

ORDER NO. 154-2001

Docket No. 127-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill its Weaver #28-10-27-16 well to the Eagle-Virgelle Formation at a location 2513' FNL and 1826' FEL of Section 28, T27N-R16E, Chouteau County, Montana, as an exception to Board Order 26-74.

BOARD ORDER NO. 154-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF OCEAN
ENERGY RESOURCES, INC. TO DRILL ITS FABER
#30-4-27-16 WELL TO THE EAGLE-VIRGELLE
FORMATION 660' FWL AND 660' FNL OF SECTION 30,
T27N-R16E, CHOUTEAU COUNTY, MONTANA, WITH
A 200 FOOT TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO BOARD ORDER 26-74. [BULLWACKER
FIELD]

ORDER NO. 155-2001

Docket No. 128-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill its Faber #30-4-27-16 well to the Eagle - Virgelle Formation at a location 485' FWL and 750' FNL of Section 30, T27N-R16E, Chouteau County, Montana, as an exception to Board Order 26-74.

BOARD ORDER 155-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF OCEAN
ENERGY RESOURCES, INC. TO DRILL ITS FEDERAL
#19-15-27-17 WELL TO THE EAGLE-VIRGELLE
FORMATION 1900' FEL AND 1050' FSL OF SECTION 19
T27N-R17E, CHOUTEAU COUNTY, MONTANA, WITH
A 200 FOOT TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO BOARD ORDER 26-74. [BULLWACKER
FIELD]

ORDER NO. 156-2001

Docket No. 129-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill its Federal #19-15-27-17 well to the Eagle-Virgelle Formation at a location 907' FSL and 2039' FEL of Section 19, T27N-R17E, Chouteau County, Montana, as an exception to Board Order 26-74.

BOARD ORDER 156-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF OCEAN
ENERGY RESOURCES, INC. TO DRILL AN EAGLE
SAND FORMATION GAS WELL 1131' FNL AND 926'
FEL OF SECTION 31, T26N-R19E, BLAINE COUNTY,
MONTANA, WITH A 75 FOOT TOPOGRAPHIC TOLERANCE
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 157-2001

Docket No. 132-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle Sand Formation gas well 1131' FNL and 926' FEL of Section 31, T26N-R19E, Blaine County, Montana.

BOARD ORDER 157-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF OCEAN
ENERGY RESOURCES, INC. TO DRILL AN EAGLE SAND
FORMATION GAS WELL 386' FNL AND 669' FEL OF
SECTION 14, T31N-R18E, BLAINE COUNTY, MONTANA,
WITH A 75 FOOT TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO BOARD ORDER 10-70. [TIGER RIDGE
FIELD]

ORDER NO. 158-2001

Docket No. 133-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle Sand Formation gas well 386' FNL and 669' FEL of Section 14, T31N-R18E, Blaine County, Montana.

BOARD ORDER 158-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DRILL AN
EAGLE SAND GAS WELL 1096' FNL AND 807'
FEL OF SECTION 27, T33N-R18E, BLAINE
COUNTY, MONTANA, WITH A 75 FOOT
TOPOGRAPHIC TOLERANCE AS AN EXCEPTION
TO BOARD ORDERS 23-78 AND 109-2001.
[LOHMAN GAS FIELD]

ORDER NO. 159-2001

Docket No. 134-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to drill an Eagle Sand Formation gas well 1096' FNL and 807' FEL of Section 27, T33N-R18E, Blaine County, Montana, with a 75 foot topographic tolerance as an exception to Board Orders 23-78 and 109-2001.

BOARD ORDER 159-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DESIGNATE
THE W½ OF SECTION 14 AND THE E½ OF
SECTION 15, T36N-R15E, HILL COUNTY,
MONTANA, AS A TEMPORARY SPACING
UNIT AND TO AUTHORIZE THE DRILLING
OF AN EAGLE SAND FORMATION GAS WELL
1200' FNL AND 300' FWL OF SAID SECTION 14
WITH A 150 FOOT TOPOGRAPHIC TOLERANCE
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 160-2001

Docket No. 135-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the W½ of Section 14 and the E½ of Section 15, T36N-R15E, Hill County, Montana, is designated as a temporary spacing unit for the Eagle Sand Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill an Eagle Sand Formation gas well 1200' FNL and 300' FWL of said Section 14 with a 150 foot topographic tolerance as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 160-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DESIGNATE THE
E½ OF SECTION 36, T35N-R16E, HILL COUNTY,
MONTANA, AS A PERMANENT SPACING UNIT
FOR PRODUCTION OF GAS FROM THE EAGLE
SAND FORMATION AND TO DESIGNATE THE
THIEL-STATE #36-35-16 WELL AS THE PERMITTED
WELL FOR PRODUCTION FROM SAID FORMATION
WITHIN THE PERMANENT SPACING UNIT.

ORDER NO. 161-2001

Docket No. 136-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application as hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 36, T35N-R16E, Hill County, Montana, is designated as a permanent spacing unit for production of gas from the Eagle Sand Formation.

IT IS FURTHER ORDERED that the Thiel-State #36-35-16 well is designated as the permitted well for production from said formation within the permanent spacing unit.

BOARD ORDER NO. 161-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO POOL ALL
INTERESTS IN THE SPACING UNIT COMPRISED
OF THE E½ OF SECTION 36, T35N-R16E, HILL
COUNTY, MONTANA, FOR PRODUCTION OF
EAGLE SAND FORMATION GAS AND TO IMPOSE
THE NON-JOINDER COSTS PROVIDED BY
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 162-2001

Docket No. 137-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the spacing unit comprised of the E½ of Section 36, T35N-R16E, Hill County, Montana, for production of Eagle Sand Formation gas are hereby pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that the non-joinder costs provided by Section 82-11-202 (2), M.C.A. are imposed.

BOARD ORDER NO. 162-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DRILL ITS
STATE #16-26-16B WELL 1000' FNL AND 1000'
FEL OF SECTION 16, T26N-R16E, CHOUTEAU
COUNTY, MONTANA, WITH A 150 FOOT
TOPOGRAPHIC TOLERANCE AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 163-2001

Docket No. 138-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place, testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to drill its State #16-26-16B well 1000' FNL and 1000' FEL of Section 16, T26N-R16E, Chouteau County, Montana, with a 150 foot topographic tolerance as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 163-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO DESIGNATE THE SE¼ OF SECTION 35 AND
THE SW¼ OF SECTION 36, T22N-R58E, RICHLAND
COUNTY, MONTANA, AS A PERMANENT SPACING
UNIT FOR PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE RATCLIFFE FORMATION
AND TO COMMINGLE THE ATCHISON STATE #44X-35
WELL OIL AND ASSOCIATED NATURAL GAS PRODUCED
FROM THE RATCLIFFE, MISSION CANYON AND DUPEROW
FORMATIONS.

ORDER NO. 164-2001

Docket No. 139-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SE¼ of Section 35 and the SW¼ of Section 36, T22N-R58E, Richland County, Montana, is designated as a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

IT IS FURTHER ORDERED that oil and natural gas produced from the Ratcliffe, Mission Canyon and Duperow Formations may be commingled in the wellbore of the Atchison-State #44X-35 well.

BOARD ORDER NO. 164-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO DRILL AND PRODUCE A RED RIVER
FORMATION TEST WELL IN THE N½ OF
SECTION 2, T21N-R58E, RICHLAND COUNTY,
MONTANA, AS AN EXCEPTION TO THE
CRANE FIELD RULES ESTABLISHED BY
BOARD ORDER 40-79.

ORDER NO. 165-2001

Docket No. 94-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Headington Oil, Limited Partnership is authorized to drill and produce a Red River Formation test well in the N½ of Section 2, T21N-R58E, Richland County, Montana, as an exception to the Crane Field rules established by Board Order 40-79.

IT IS FURTHER ORDERED that applicant's proposed horizontal test well is exempted from the inter-well set back distances established by the Crane Field rules but may be located no closer than 200 feet to the South boundary of the spacing unit consisting of the N½ of Section 2, T21N-R58E, Richland County, Montana.

BOARD ORDER 165-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF CLARIFYING
BOARD ORDER 135-97.

ORDER NO. 166-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of July, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. It has come to the attention of this Board that Board Order 135-97, which waived all well location and spacing requirements for wells within the exterior boundaries of the Bowdoin Unit Area and the Hinsdale Unit Area as approved by the Secretary of Interior, is ambiguous. In order to clarify said Order, the Board directs that Board Order 135-97 be amended in the manner hereinafter set forth.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the first paragraph of Page 3 of Board Order 135-97 is amended to read as follows:

“IT IS FURTHER ORDERED THAT the quarter section spacing requirements and the 660 foot setback requirements of the Bowdoin and Hinsdale fields are retained as to those tracts within said fields which are not wholly committed to a Unit Agreement.”

IT IS FURTHER ORDERED that the staff prepare and circulate a corrected Board Order 135-97 containing this correction.

BOARD ORDER 166-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of July, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

CORRECTED
ORDER NO. 77-2001

IN THE MATTER OF THE APPLICATION OF KLABZUBA
OIL & GAS, INC. TO DESIGNATE ALL OF SECTION 22,
T35N-R19E, BLAINE COUNTY, MONTANA, AS A
PERMANENT SPACING UNIT FOR PRODUCTION
OF GAS FROM THE EAGLE SAND FORMATION AND
TO DESIGNATE THE FEDERAL #22-35-19 WELL AS
THE PERMITTED WELL FOR PRODUCTION
FROM SAID FORMATION WITHIN SAID PERMANENT
SPACING UNIT.

Docket No. 233-2000

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of February, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Klabzuba Oil & Gas, Inc. is granted as applied for.

CORRECTED BOARD ORDER NO. 77-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of February, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

George Galuska, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Stanley Lund, Board Member

ATTEST:

Elaine Mitchell, Board Member

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

CORRECTED
ORDER NO. 78-2001

IN THE MATTER OF THE APPLICATION OF KLABZUBA
OIL & GAS, INC. TO POOL ALL INTERESTS IN THE
PERMANENT SPACING UNIT COMPRISED OF SECTION 22,
T35N-R19E, BLAINE COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE SAND
FORMATION AND TO IMPOSE THE NON-JOINDER
COSTS PROVIDED FOR IN SECTION 82-11-202 (2), MCA.

Docket No. 234-2000

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of February, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana, subject to the remaining provisions of this paragraph, that all interests in the permanent spacing unit comprised of Section 22, T35N-R19E, Blaine County, Montana, for the production of Eagle Sand Formation gas are hereby pooled on the basis of surface acreage and the non-joinder costs provided by Section 82-11-202 (2), MCA, are imposed on any refusing owner under said section. This Order makes no determination as to what parties, if any, are refusing owners, because a dispute exists on that issue between the Applicant, Klabzuba Oil & Gas, Inc., and Textana, Inc./Sandtana, Inc. Said parties have agreed, subject to the execution and filing with the Board of a written stipulation setting forth the terms of such agreement, to resolve their dispute either by a negotiated settlement or by litigation in a court of competent jurisdiction. In the event that the parties shall fail to execute and file said stipulation with the Board within thirty (30) days of the date of this Order, then this Order shall be void. In that event the Applicant may file a new application for the pooling of the subject lands with the Board, and a full hearing shall then be conducted on such new application by the Board.

CORRECTED BOARD ORDER NO. 78-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of February, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

George Galuska, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Stanley Lund, Board Member

ATTEST:

Elaine Mitchell, Board Member

Terri H. Perrigo, Executive Secretary

