

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, October 24, 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 August 29, 2001 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Coal bed methane update
7. Programmatic EIS update status
8. Staff reports
9. Exempt staff performance evaluations

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, October 25, 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. 177-2001

APPLICANT: CROFT PETROLEUM CO. – LIBERTY COUNTY, MONTANA

Upon the application of **CROFT PETROLEUM CO.** to designate all of Section 22, T36N-R2E, Liberty County, Montana, less the E½NE¼ of said Section, as a 560 acre spacing unit for the production of gas from the Bow Island Formation. This application is made because the E½NE¼ has previously been included in a producing spacing unit with lands in Section 23.

Docket No. 178-2001

APPLICANT: WJW OPERATING COMPANY, L.L.C. – ROOSEVELT COUNTY, MONTANA

Upon the application of **WJW OPERATING COMPANY, L.L.C.** to recomplete its Rudolph 2-31 well in Section 31, T29N-R58E, Roosevelt County, Montana, as a Ratcliffe Formation well with an exception to the set back requirements for 160 acre spacing.

Docket No. 179-2001

APPLICANT: TYLER OIL COMPANY – ROSEBUD COUNTY, MONTANA

Upon the application of **TYLER OIL COMPANY** for an order approving operation of a waterflood unit for enhanced recovery purposes from the Tyler "C" Sand underlying Lots 5, 6, 7, 14, the NW¼ of 8, the east 1320' of 15, the S½SE of Section 31, T12N-R33E, and the E½SE of Section 36, T12N-R32E, Rosebud County, Montana. Applicant also requests approval of its plan for Unit Operations, the Unit Agreement, and Unit Operating Agreement; and authorization to drill additional wells as necessary.

Docket No. 180-2001

APPLICANT: TYLER OIL COMPANY – ROSEBUD COUNTY, MONTANA

Upon the application of **TYLER OIL COMPANY** for permission to convert its 12-31 State well in Lot 6 of Section 31, T12N-R33E, Rosebud County, Montana to a water injection well.

Docket No. 181-2001

APPLICANT: FLYING J OIL & GAS INC. – STILLWATER COUNTY, MONTANA

Upon the application of **FLYING J OIL & GAS INC.** to permanently operate its earthen pit at its Foothills #44-14H well facility in Section 14, T6S-R17E, Stillwater County, Montana, as a permanent catch pond in association with disposal of produced water by aeration spraying for evaporation.

Docket No. 182-2001

APPLICANT: PRAIRIE DOG EXPLORATION LLC – LIBERTY COUNTY, MONTANA

Upon the application of **PRAIRIE DOG EXPLORATION LLC** to delineate the E½ and the W½ of Section 6, T34N-R4E, Liberty County, Montana, as temporary natural gas drilling and production spacing units for all zones, formations or horizons from the surface of the earth to the base of the Madison Formation with 660 foot setbacks from the spacing unit boundaries for any well drilled within and upon each requested spacing unit with a 75 foot tolerance for topographic reasons.

Docket No. 183-2001

APPLICANT: ROBINSON OIL COMPANY, LLC – TOOLE COUNTY, MONTANA

Upon the application of **ROBINSON OIL COMPANY, LLC** to drill a natural gas test well 1980' FNL and 660' FEL of Section 16, T32N-R2E, Toole County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93. Applicant also requests that Section 16 in its entirety be added to and made a part of the Devon Gas Field subject to the exception well location requested herein.

Docket No. 184-2001

APPLICANT: ROBINSON OIL COMPANY, LLC – TOOLE COUNTY, MONTANA

Upon the application of **ROBINSON OIL COMPANY, LLC** to amend the East Kevin Gas Field rules to delineate the N½ and the S½ of Section 19, T34N-R1E, Toole County, Montana, as permanent spacing units for drilling of wells and production of natural gas from all horizons lying above the Rierdon Formation.

Docket No. 185-2001

APPLICANT: WESCO OPERATING, INC. – ROOSEVELT COUNTY, MONTANA

Upon the application of **WESCO OPERATING, INC.** to require Journey Operating, LLC to shut-in the Courchene No. 2-D salt water disposal well in the SESE of Section 4, T30N-R46E, Roosevelt County, Montana, until

such time as the Nisku Formation underlying all lands being waterflooded thereby are unitized.

Docket No. 186-2001

APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to for the designation of a temporary spacing unit consisting of the S½ of Section 2 and the N½ of Section 11, T35N-R14E, Hill County, Montana, and authorization to drill an Eagle Formation gas well at a location 100' FSL and 1000' FWL of said Section 2 as an exception to A.R.M. 36.22.702 with a 75 foot tolerance for topographic reasons.

Docket No. 187-2001

APPLICANT: CONSTITUTION GAS TRANSPORT CO., INC. – POWDER RIVER COUNTY, MONTANA

Upon the application of **CONSTITUTION GAS TRANSPORT CO., INC.** to amend the Pumpkin Creek Field rules established by Board Order 10-71 to drill its Allen Brothers, Inc. #1-12-PC well and its Burlington Resources #1-25-PC well in Sections 12 and 25 respectively of T1S-R49E, Powder River County, Montana. Applicant proposes that the spacing unit for its Allen Brothers, Inc. #1-12-PC be designated as the SE¼ of Section 11, the SW¼ of Section 12, the NW¼ of Section 13 and the NE¼ of Section 14, all in T1S-R49E. Applicant's proposed unit surrounding its Burlington Resources #1-25-PC consists of a 560 acre tract consisting of the E½SE¼ of Section 23, the SW¼ of Section 24, the W½SE¼ of Section 24, the W½NE¼ of Section 25 and the NW¼ of Section 25, all in T1S-R49E. The proposed location for the Allen Brothers, Inc. #1-12-PC well is approximately 1050' FWL and 75' FSL of said Section 12. The proposed location for the Burlington Resources #1-25-PC well is approximately 978' FNL and 1875' FWL of said Section 25.

Docket No. 188-2001

APPLICANT: PETE WOODS – LIBERTY COUNTY, MONTANA

Upon the application of **PETE WOODS** to delineate the NW¼ of Section 19, T37N-R6E, Liberty County, Montana, as a permanent spacing unit for production of natural gas from the McQuigg No. 1-19 well located 660' FNL and 660' FWL of said Section 19.

Docket No. 189-2001

APPLICANT: XENO, INC. – BLAINE COUNTY, MONTANA

Upon the application of **XENO, INC.** to drill not to exceed four wells within and upon each of the following described lands in Blaine County, Montana:

T36N-R19E
Section 1: All

Section 2: All
Section 3: All

T37N-R19E

Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

Applicant further requests permission to commingle and produce Eagle Formation natural gas from any well capable of commercial production from multiple zones, formations or horizons.

Docket No. 190-2001

APPLICANT: XENO, INC. – BLAINE COUNTY, MONTANA

Upon the application of **XENO, INC.** for permission to drill an Eagle Formation gas test well 660' FSL and 2132' FEL of Section 36, T35N-R21E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93. Applicant also requests permission to drill a second test well on said Section 36 as an exception to the rules set forth above.

Docket No. 191-2001

APPLICANT: XENO, INC. – BLAINE COUNTY, MONTANA

Upon the application of **XENO, INC.** to drill not to exceed four wells on Section 2, T35N-R20E, Blaine County, Montana, to test for the presence of Eagle Formation natural gas as exceptions to A.R.M. 36.22.702 and Board Order 62-93. Applicant also asks permission to commingle and produce natural gas from multiple zones, formations or horizons.

Docket No. 192-2001

APPLICANT: BURLINGTON RESOURCES – FALLON COUNTY, MONTANA

Upon the application of **BURLINGTON RESOURCES** to permit produced water disposal in the Mission Canyon Formation through its ELOB Unit #14-36 well in Section 36, T7N-R60E, Fallon County, Montana. Applicant proposes to dispose of all ELOB Unit produced water into said well.

Docket No. 193-2001

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **ENCORE OPERATING, L.P.** to convert its Monarch 32-26 well in Section 26, T9N-R58E, Fallon County, Montana, to a Silurian Interlake Formation injection well.

Docket No. 194-2001

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 drill a vertical stratigraphic test well 2200' FEL and 1950' FNL of Section 18, T37N-R57E, Sheridan County, Montana, for Nisku Formation coring and logging purposes; to designate a temporary horizontal well spacing unit for the Nisku Formation comprised of the SE $\frac{1}{4}$ of Section 7 and the NE $\frac{1}{4}$ of Section 18, T37N-R57E, Sheridan County, Montana; to utilize the vertical test wellbore in drilling said proposed horizontal well within said temporary spacing unit with a horizontal drainhole to enter the porosity zone of the Nisku Formation at a point 1850' FEL and 1800' FNL of said Section 18; and to drill two horizontal drainhole legs to extend from the entry point into the Nisku Formation porosity zone with the end point of the first leg to be located 700' FEL and 1300' FSL of Section 7, T37N-R57E, and the end point of the second leg to be located 1800' FEL and 750' FSL of Section 7, T37N-R57E.

Docket No. 195-2001

APPLICANT: MONTANA BOARD OF OIL & GAS CONSERVATION - ROSEBUD COUNTY, MONTANA

Upon the Board's own motion to determine if the Sawyer Water Flood Unit established by Board Order 21-78 has been terminated under the provisions of Article 18 of the Unit Agreement.

Docket No. 196-2001

APPLICANT: TRUE OIL COMPANY – MUSSELSHELL COUNTY, MONTANA

Upon the application of **TRUE OIL COMPANY** to drill a Heath Formation test well 860' FWL and 1300' FSL of Section 7, T11N-R25E, Musselshell County, Montana, with a 25 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

Docket 88-2001
Continued from May, 2001

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

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY** to remove the following described lands from the Cedar Creek Gas Field established by Board Order 1-61:

T9N-R58E
Section 1: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 3: S $\frac{1}{2}$
Section 9: NE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 15: NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

Applicant also asks that the Cedar Creek Gas Field rules be amended to allow the creation of 320 acre spacing units to be comprised at the option of the operator of two adjacent quarter sections lying within Sections 10, 11 and 13, T9N-R58E, Fallon County, Montana, with two permitted wells per spacing unit to be located not closer than 660 feet to the spacing unit boundaries for production of natural gas from the Eagle Formation. Applicant also requests the establishment of 320 acre permanent spacing units to be comprised at the option of the operator of two adjacent quarter sections lying within the following described Sections with two permitted wells per spacing unit to be located not closer than 660 feet to the spacing unit boundaries for production of natural gas from the Eagle Formation underlying each such spacing unit.

Docket No. 125-2001
Continued from July, 2001

APPLICANT: MATTICK FARM & RANCH, INC. – STILLWATER COUNTY, MONTANA

Upon the application of **MATTICK FARM & RANCH, INC.** to require Mountain General Pacific, Inc. to plug and abandon the Boston Group Services well #33-11 (API Number 25-095-21240-00-00) located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, T3N-R20E, Stillwater County, Montana, or show cause why its bond should not be forfeited.

Docket No. 150-2001
Continued from August, 2001

APPLICANT: BERCO RESOURCES, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **BERCO RESOURCES, LLC** to amend Board Order 9-98 to permit the drilling of a second Red River well in the permanent spacing unit consisting of the SW $\frac{1}{4}$ of Section 28, E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 29, NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 33, all in T23N-R57E, Richland County, Montana, at a location not less than 660 feet from the spacing unit boundaries.

Docket No. 151-2001
Continued from August, 2001

APPLICANT: BERCO RESOURCES, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **BERCO RESOURCES, LLC** to amend the Lonetree Creek Field rules established by Board Orders 29-72, 50-95 and 87-2000 to permit the drilling of a second Interlake/Red River well in the W $\frac{1}{2}$ of Section 9, T24N-R57E, Richland County, Montana, 2140' FWL and 1350' FNL with a 75 foot tolerance for topographic reasons.

Docket No. 152-2001
Continued from August, 2001

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to commingle oil and associated natural gas produced from the Ratcliffe, Mission Canyon and Duperow Formations through its Bakken #32-2 well in

the SWNE of Section 2, T21N-R58E, Richland County, Montana.

DOCKET NO. 142-2000
ORDER TO SHOW CAUSE
Continued from December, 2000

RESPONDENT: ROCKY MOUNTAIN OPERATING COMPANY – BIG HORN COUNTY, MONTANA

Upon the Board's own order requiring **ROCKY MOUNTAIN OPERATING COMPANY** to appear and show cause why the Board should not act to correct Rocky Mountain Operating Company's yearly spills from its four producing oil wells from the Tensleep Sandstone in Snyder Creek Field, Big Horn County, Montana.

DOCKET NO. 176-2001
ORDER TO SHOW CAUSE
Continued from August, 2001

RESPONDENT: FAITH DRILLING, INC. – PONDERA COUNTY, MONTANA

Upon the Board's own order requiring **FAITH DRILLING, INC.** to appear and show cause why it should not be required to furnish a new bond to replace that of Amwest Surety Insurance Company, which has been declared insolvent.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary