

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, August 7, 2002, 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 June 26, 2002 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Coal bed methane update
7. Programmatic EIS update status
8. Employee longevity awards
9. 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., August 8, 2002, in the **Whitetail Room on the third floor of the Sheraton Hotel** in 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. 196-2002

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

Upon the application of **ENCANA ENERGY RESOURCES INC.** to drill four Eagle Formation natural gas wells within Section 36, T35N-R20E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93. The four wells applicant proposes to drill are: EnCana 7-36, approximately 1400' FNL and 1370' FEL; EnCana 1-36, approximately 340' FNL and 305' FEL; EnCana 3-36, approximately 335' FNL and 1787' FWL; and EnCana 12-36, approximately 2600' FSL and 390' FWL.

Docket No. 197-2002

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

Upon the application of **ENCANA ENERGY RESOURCES INC.** for permission to drill a natural gas test well approximately 390' FSL and 479' FWL of Section 30, T35N-R21E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93.

Docket No. 198-2002

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

Upon the application of **ENCANA ENERGY RESOURCES INC.** to drill its proposed EnCana 8-20 test well approximately 2552' FNL and 600' FEL of Section 20, T35N-R21E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93.

Docket No. 199-2002

**APPLICANT: LUFF EXPLORATION COMPANY – RICHLAND COUNTY, MONTANA**

Upon the application of **LUFF EXPLORATION COMPANY** to terminate the North Sioux Pass Field Ratcliffe spacing unit comprised of the NW¼ of Section 7, T26N-R58E and the NE¼ of Section 12, T26N-R57E, Richland County, Montana, and to create a new spacing unit comprised of the N½ of Section 7, T26N-R58E as to the Ratcliffe Formation only or to create a 160 acre Ratcliffe spacing unit comprised of the NW¼ of Section 7, T26N-R58E only.

Docket No. 200-2002

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

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill a second Eagle Formation gas well in Section 19, T34N-R19E, Blaine County, Montana, 400' FNL and 1135' FEL of said Section 19 with a 100 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 201-2002

**APPLICANT: BLACK HAWK RESOURCES – CHOUTEAU COUNTY, MONTANA**

Upon the application of **BLACK HAWK RESOURCES** to designate the SW¼ of Section 27, the SE¼ of Section 28, the NE¼ of Section 33 and the NW¼ of Section 34, all in T26N-R15E, Chouteau County, Montana, as a 640 acre temporary spacing unit for the Eagle Formation and to drill an Eagle gas test well in said temporary spacing unit at a location 168' FNL and 109' FEL of Section 33, T26N-R15E with a 200 foot tolerance for topographic reasons.

Docket No. 202-2002

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

Upon the application of **OCEAN ENERGY, INC.** for an exception to the Tiger Ridge Field rules as set forth in Board Orders 10-70 and 46-78 to drill its U.S. #22-10-32-17 well 2234' FSL and 1600' FEL of Section 22, T32N-R17E, Hill County, Montana, as an additional well in the spacing unit comprised of said Section 22.

Docket No. 203-2002

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

Upon the application of **OCEAN ENERGY, INC.** to drill an additional Eagle-Virgelle Formation gas well in the spacing unit comprised of the S½ of Section 36, T27N-R16E, Chouteau County, Montana, at a location 1105' FSL and 2208' FWL of said Section 36 with a 200 foot tolerance for topographic reasons as an exception to Board Order 26-74 which established the Bullwacker Field.

Docket No. 204-2002

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

Upon the application of **OCEAN ENERGY, INC.** to drill up to four Eagle Sand Formation gas wells at locations anywhere within Section 9, T26N-R16E, Chouteau County, Montana, but not closer than 990 feet to the spacing unit boundary as an exception to A.R.M. 36.22.702.

Docket No. 12-2002 FED

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

Upon the application of **OCEAN ENERGY, INC.** for authorization from the Bureau of Land Management to drill its Rocky Boy #29-9-30-15 well 2480' FSL and 1000' FEL of Section 29, T30N-R15E, Hill County, Montana, with a 200 foot tolerance for topographic reasons as an exception to Board Order 10-70 (Tiger Ridge Field).

Docket No. 13-2002 FED

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

Upon the application of **OCEAN ENERGY, INC.** to drill its Rocky Boy #19-9-30-15 well 1480' FSL and 825' FEL of Section 19, T30N-R15E, Hill County, Montana, with a 200 foot tolerance for topographic reasons as an exception to Board Order 10-70 (Tiger Ridge Field).

Docket No. 14-2002 FED

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

Upon the application of **OCEAN ENERGY, INC.** to drill its Rocky Boy #25-15-30-14 well 483' FSL and 1931' FEL of Section 25, T30N-R14E, Hill County, Montana, with a 200 foot tolerance for topographic reasons as an exception to Board Order 10-70 (Tiger Ridge Field).

Docket No. 205-2002

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

Upon the application of **OCEAN ENERGY, INC.** to drill its Cremans #35-5-31-14 well 1965' FNL and 960' FWL of Section 35, T31N-R14E, Hill County, Montana, with a 200 foot tolerance for topographic reasons as an exception to Board Order 10-70 (Tiger Ridge Field).

Docket No. 206-2002

**APPLICANT: ATHENA ENERGY LLC – LIBERTY COUNTY, MONTANA**

Upon the Administrator's referral of the application of **ATHENA ENERGY LLC** for permission to drill a Bow Island gas well 1750' FSL and 1970' FEL of Section 15, T34N-R4E, Grandview Field, Liberty County, Montana.

Docket No. 207-2002

**APPLICANT: T.W.O. TAYLOR WELL OPERATING – LIBERTY COUNTY, MONTANA**

Upon the Administrator's referral of the application of **T.W.O. TAYLOR WELL OPERATING** to drill a Bow Island gas well 1750' FSL and 1971' FEL of Section 15, T34N-R4E, Grandview Field, Liberty County, Montana.

Docket No. 15-2002 FED and 208-2002

**APPLICANT: BILL BARRETT CORPORATION – BIG HORN COUNTY, MONTANA**

Upon the application of **BILL BARRETT CORPORATION** to delineate the following described lands as a field for production of natural gas from all coal bed zones from the surface to the base of the Fort Union Formation and establishing temporary spacing for said field on the basis of regular governmental quarter sections for each producing horizon with the operator permitted to drill up to four wells per coal bed or horizon in each quarter section with no well located closer than 220 feet to the boundary of each quarter section. The field requested is described as the following lands in Big Horn County, Montana:

Township 7 South, Range 38 East  
Sections 22, 23, 24, 25, 26, 27, 34, 35 and 36

Township 8 South, Range 38 East  
Sections 2, 3, 4, 9, 10, 11, 14, 15 and 16

Docket No. 209-2002

**APPLICANT: J.M. HUBER CORPORATION – GALLATIN COUNTY, MONTANA**

Upon the application of **J.M. HUBER CORPORATION** to drill two oil and gas wells to a total depth of 5550 feet to test the Frontier Formation at the following described locations in Gallatin County, Montana: 1) Huffine 4-13 2-7 well in the NWNW of Section 13, T2S-R7E, at a location 370' FNL and 550' FWL; and 2) McMillan 9-14 2-7 well in the NESE of Section 14, T2S-R7E, at a location 3628' FNL and 550' FEL.

Docket No. 210-2002

**APPLICANT: MONTANA BOARD OF OIL & GAS CONSERVATION – SHERIDAN COUNTY, MONTANA**

Upon the Board's own motion to remove Lot 8 of Section 11, Lots 1 and 5 of Section 10, and the SESE of Section 3, all in T33N-R55E, Sheridan County, Montana, from the East Green Coulee Field; and to vacate the spacing unit originally described as the SWSW of Section 2, the SESE of Section 3, Lots 1 and 5 of Section 10 and Lots 4 and 8 of Section 11, all in T33N-R55E, Sheridan County, Montana.

Docket No. 180-2000  
Continued from December, 2000

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 15, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for production of natural gas from the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn formations and to allow the production of one gas well for each formation in said spacing unit with 660 foot setbacks from the exterior boundaries thereof.

Docket No. 181-2000  
Continued from December, 2000

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the SW¼ of Section 14, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for production of natural gas from the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn formations and to allow the production of one gas well for each formation in said spacing unit with 660 foot setbacks from the exterior boundaries thereof.

Docket No. 182-2000  
Continued from December, 2000

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the SE¼ of Section 33, T36N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn formations and to allow the production of one gas well for each formation in said spacing unit with 660 foot setbacks from the exterior boundaries thereof for well location purposes.

Docket No. 6-2001  
Continued from February, 2001

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the SE¼ of Section 16, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn formations.

Docket No. 7-2001  
Continued from February, 2001

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 16, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn formations.

Docket No. 1-2002  
Continued from February, 2002

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 9, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle and Niobrara Formations and allowing the production of one gas well for each formation within said spacing unit to be located 1320' FNL and 2524' FEL of said Section.

Docket No. 2-2002  
Continued from February, 2002

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 4, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle and Niobrara Formations and to allow the production of one gas well for each formation within said spacing unit, said well to be located 1220' FNL and 1320' FEL of said Section.

Docket No. 3-2002  
Continued from February, 2002

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NW¼ of Section 16, T35N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle and Niobrara Formations and allowing the production of one gas well for each formation within said spacing unit to be located 1320' FNL and 1320' FWL of said Section.

Docket No. 4-2002  
Continued from February, 2002

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 33, T36N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn Formations and allowing production of one gas well for each formation within said spacing unit located 1320' FNL and 1320' FEL of said Section.

Docket No. 5-2002  
Continued from February, 2002

**APPLICANT: PIONEER ENERGY CORPORATION – SHERIDAN COUNTY, MONTANA**

Upon the application of **PIONEER ENERGY CORPORATION** to designate the NE¼ of Section 28, T36N-R53E, Sheridan County, Montana, as a permanent spacing unit for the Bearpaw, Judith River, Eagle, Niobrara and Greenhorn Formations and allowing the production of one gas well for each formation within said spacing unit to be located 1320' FNL and 1320' FEL of said Section.

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 NW¼NE¼ of Section 11, T3N-R20E, Stillwater County, Montana, or show cause why its bond should not be forfeited.

Docket No. 156-2002  
Continued from June, 2002

**APPLICANT: STAGHORN ENERGY, LLC – SHERIDAN COUNTY, MONTANA**

Upon the application of **STAGHORN ENERGY, LLC** to designate the SW¼ of Section 15, T34N-R57E, Sheridan County, Montana, as a 160 acre permanent spacing unit for the Madison Formation and designating the Christensen 1-A well as the permitted well within said spacing unit.

Docket No. 158-2002  
Continued from June, 2002

**APPLICANT: CAM WEST II L.P. – SHERIDAN COUNTY, MONTANA**

Upon the application of **CAM WEST II L.P.** for a Class II Injection Well Permit for its Hellegaard A-2 well located in the SENW of Section 8, T37N-R57E, Sheridan County, Montana. The source of fluids to be injected will be produced water from the Nisku Unit, Flat Lake Ratcliffe and Dakota makeup water. The zone into which injection will occur is the Nisku Formation at a depth of 7990 to 8020 feet. An aquifer exemption will not be requested as part of the application since the proposed injection zone contains water with greater than 10,000 ppm total dissolved solids.

Docket No. 159-2002  
Continued from June, 2002

**APPLICANT: CAM WEST II L.P. – SHERIDAN COUNTY, MONTANA**

Upon the application of **CAM WEST II L.P.** for a Class II Injection Well Permit for its a. McKinnon #1 well located in the SENW of Section 9, T37N-R57E, Sheridan County, Montana. The source of fluids to be injected will be produced water from the Nisku Unit, Flat Lake Ratcliffe and Dakota makeup water. The zone into which injection will occur is the Nisku Formation at a depth of 7990 to 8020 feet. An aquifer exemption will not be requested as part of the application since the proposed injection zone contains water with greater than 10,000 ppm total dissolved solids.

Docket No. 160-2002  
Continued from June, 2002

**APPLICANT: CAM WEST II L.P. – SHERIDAN COUNTY, MONTANA**

Upon the application of **CAM WEST II L.P.** for a Class II Injection Well Permit for its Ward 10-H well located in the NW¼ of Section 11, T37N-R57E, Sheridan County, Montana. The source of fluids to be injected will be produced water from the Nisku Unit, Flat Lake Ratcliffe and Dakota makeup water. The zone into which injection will occur is the Nisku Formation at a depth of 7990 to 8020 feet. An aquifer exemption will not be requested as part of the application since the proposed injection zone contains water with greater than 10,000 ppm total dissolved solids.

Docket No. 161-2002  
Continued from June, 2002

**APPLICANT: CAM WEST II L.P. – SHERIDAN COUNTY, MONTANA**

Upon the application of **CAM WEST II L.P.** for a Class II Injection Well Permit for its Hansen #2-3 well located in the SWSE of Section 11, T37N-R57E, Sheridan County, Montana. The source of fluids to be injected will be produced water from the Nisku Unit, Flat Lake Ratcliffe and Dakota makeup water. The zone into which injection will occur is the Nisku Formation at a depth of 7990 to 8020 feet. An aquifer exemption will not be requested as part of the application since the proposed injection zone contains water with greater than 10,000 ppm total dissolved solids.

Docket No. 162-2002  
Continued from June, 2002

**APPLICANT: CAM WEST II L.P. – SHERIDAN COUNTY, MONTANA**

Upon the application of **CAM WEST II L.P.** for a Class II Injection Well Permit for its Joyes-State #4 well located in the NENW of Section 16, T37N-R57E, Sheridan County, Montana. The source of fluids to be injected will be produced water from the Nisku Unit, Flat Lake Ratcliffe and Dakota makeup water. The zone into which injection will occur is the Nisku Formation at a depth of 7990 to 8020 feet. An aquifer exemption will not be requested as part of the application since the proposed injection zone contains water with greater than 10,000 ppm total dissolved solids.

Docket No. 177-2002  
Continued from June, 2002

**APPLICANT: GREAT NORTHERN DRILLING CO., INC. – LIBERTY COUNTY, MONTANA**

Upon the application of **GREAT NORTHERN DRILLING CO., INC.** to establish a 320 acre temporary spacing unit consisting of the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 4, the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 5, the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 8, and the W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 9, all in T34N-R4E, Liberty County, Montana, for all zones from the surface of the earth to the top of the Rierdon Formation. Applicant proposes to drill said well either 150' FSL and 150' FEL of said Section 5 or 150' FSL and 150' FWL of said Section 4, and requests a 50 foot tolerance for topographic reasons.

Docket No. 195-2002  
ORDER TO SHOW CAUSE  
Continued from June, 2002

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

Upon the Board's own motion requiring **FULTON FUEL COMPANY** to appear and show cause why it should be allowed to continue operating the Rossmiller-Fey 12-27 well which is not on its bond.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Terri Perrigo, Executive Secretary