

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 2, 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 August 7, 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. Proposed hearing schedule for 2003
9. Exempt staff evaluations
10. Employee longevity awards
11. Default docket
12. 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., October 3, 2002, in the conference room of the Board's office at 2535 St. Johns Avenue 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. 211-2002

APPLICANT: GREAT PLAINS OPERATING, L.L.C. – ROSEBUD COUNTY, MONTANA

Upon the application of **GREAT PLAINS OPERATING, L.L.C.** for an order providing for the operation as a Unit of an area to be known as the "Grebe-Kincheloe Waterflood Unit"; prescribing a plan of Unit operations therefore, approving a Unit Agreement and a Unit Operating Agreement for the Unit operation thereof; authorizing the conducting of a waterflood injection program (secondary recovery) in the proposed Unit Area situated in the Sumatra Field, Rosebud County, Montana, and for vacating existing spacing orders related thereto. The proposed Unit includes the following described lands:

Township 11N-Range 32E, MPM
Section 22: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
Section 23: SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 26: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 27: E $\frac{1}{2}$
Containing 840.00 acres, more or less

Docket No. 212-2002

APPLICANT: ATHENA ENERGY L.L.C. – LIBERTY COUNTY, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** for an order delineating the SE $\frac{1}{4}$ of Section 33 and the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 34, T33N-R7E and the NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 3, T32N-R7E, all in Liberty County, Montana, as a permanent spacing unit for production of natural gas from all zones or formations lying thereunder. Applicant proposes to drill a well within the SE $\frac{1}{4}$ of said Section 33 to test for the presence of natural gas at a location approximately 1050' FSL and 825' FEL of said Section 33 and further requests that it be allowed to produce said test well if completed as a well capable of commercial production of natural gas.

Docket No. 213-2002

APPLICANT: ATHENA ENERGY L.L.C. – LIBERTY COUNTY, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** for an order delineating the S $\frac{1}{2}$ of Section 15 and the N $\frac{1}{2}$ of Section 22, T33N-R7E, Liberty County, Montana, as a permanent spacing unit for production of natural gas. Applicant proposes to drill a well within and upon the SE $\frac{1}{4}$ of said Section 15 to test for the presence of natural gas and the proposed well location is approximately 105' FSL and 1570' FEL of said Section 15.

Docket No. 214-2002

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

Upon the application of **ATHENA ENERGY L.L.C.** for an order delineating the S $\frac{1}{2}$ of Section 26 and the N $\frac{1}{2}$ of Section 35, T36N-R9E, Hill County, Montana, as a permanent spacing unit for production of natural gas from all zones and formations lying thereunder. Applicant proposes to drill a well within and upon the NW $\frac{1}{4}$ of said Section 35 to test for the presence of natural gas and the proposed well location is approximately 75' FNL and 1065' FWL of said Section 35. Applicant also desires to drill a well within and upon the SW $\frac{1}{4}$ of said Section 26 to test for the presence of natural gas and the proposed well location therefore is approximately 75' FSL and 1950' FWL of said Section 26. Applicant further requests authorization to drill and produce said wells if completed as wells capable of commercial production of natural gas.

Docket No. 215-2002

APPLICANT: ATHENA ENERGY L.L.C. – LIBERTY COUNTY, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** to delineate the following lands containing 640 acres as a permanent spacing unit for production of natural gas from all zones or formations lying thereunder: SE $\frac{1}{4}$ of Section 8, SW $\frac{1}{4}$ of Section 9, NW $\frac{1}{4}$ of Section 16 and NE $\frac{1}{4}$ of Section 17, all in T32N-R7E, Liberty County, Montana. Applicant desires to drill a well within and upon the SE $\frac{1}{4}$ of said Section 8 at a location approximately 110' FSL and 150' FEL of said Section 8. Applicant additionally desires to drill a well within the SW $\frac{1}{4}$ of said Section 9 to test for the presence of natural gas at a location approximately 110' FSL and 1115' FWL of said Section 9. Applicant further requests authorization to drill and produce the foregoing test wells if completed as wells capable of commercial production of natural gas.

Docket No. 216-2002

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

Upon the application of **ATHENA ENERGY L.L.C.** to delineate the N½ of Section 6, T36N-R10E and the S½ of Section 31, T37N-R10E, both in Hill County, Montana, as a permanent spacing unit for production of natural gas from all zones or formations lying thereunder. Applicant desires to drill a well within and upon the N½ of said Section 6 to test for the presence of natural gas at a location approximately 590' FNL and 2350' FWL of said Section 6. Applicant requests authorization to drill and produce said well if completed as a well capable of commercial production of natural gas.

Docket No 217-2002

APPLICANT: ATHENA ENERGY L.L.C. – LIBERTY AND HILL COUNTIES, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** to delineate the SE¼ of Section 24 and the NE¼ of Section 25, T32N-R7E, Liberty County, Montana, and the SW¼ of Section 19 and the NW¼ of Section 30, T32N-R8E, Hill County, Montana, as a permanent spacing unit for production of natural gas from all zones or formations lying thereunder. Applicant proposes to drill a well within and upon the SE¼ of said Section 24 to test for presence of natural gas at a location approximately 110' FSL and 300' FEL of said Section 24. Applicant requests authorization to drill and produce said test well if completed as a well capable of commercial production of natural gas.

Docket No. 218-2002

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

Upon the application of **ATHENA ENERGY, L.L.C.** to delineate the SE¼ of Section 24 and the NE¼ of Section 25, T37N-R9E and the SW¼ of Section 19 and the NW¼ of Section 30, T37N-R10E, all in Hill County, Montana, as a permanent spacing unit for production of natural gas. Applicant desires to drill a well within and upon the NW¼ of said Section 30 to test for the presence of natural gas at a location approximately 125' FNL and 925' FWL of said Section 30. Applicant requests authorization to drill and produce said test well if completed as a well capable of commercial production of natural gas.

Docket No. 219-2002

APPLICANT: ATHENA ENERGY, L.L.C. – LIBERTY COUNTY, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** for an order delineating the SW¼ of Section 1, the SE¼ of Section 2, the NE¼ of Section 11 and the NW¼ of Section 12, all in T32N-R6E, Liberty County, Montana, as a permanent spacing unit for the production of natural gas. Applicant desires to drill a well within the SW¼ of said Section 1 to test the presence of natural gas at a location approximately 440' FWL and 920' FSL of said Section 1. Applicant requests authorization to drill said test well and produce the same if completed as a well capable of commercial production of natural gas.

Docket No. 220-2002

APPLICANT: PRAIRIE DOG EXPLORATION LLC – LIBERTY COUNTY, MONTANA

Upon the application of **PRAIRIE DOG EXPLORATION LLC** for an order delineating the NW¼ and the SW¼ of Section 3, T36N-R4E, Liberty County, Montana as permanent 160-acre spacing units for production of natural gas from all zones, formations or horizons from the surface of the earth to the top of the Kootenai Formation. Applicant further requests that the Board designate the NE¼ and SE¼ of said Section 3 as 160-acre temporary spacing units for the drilling of wells to test for the presence of natural gas from the zones, formations or horizons lying above the top of the Kootenai Formation.

Docket No. 221-2002

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 4, T23N-R57E, Richland County, Montana, as a field and permanent spacing unit for the production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the unit boundaries.

Docket No. 222-2002

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 6, T23N-R57E, Richland County, Montana, as a field and permanent spacing unit for the production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet from the spacing unit boundaries.

Docket No. 223-2002

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 8, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

Docket No. 224-2002

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to designate a temporary spacing unit comprised of all of Section 35, T24N-R56E and all of Section 2, T23N-R56E, Richland County, Montana, for the drilling of up to two horizontal wells in the Bakken Formation. Applicant further requests authority to locate its proposed horizontal wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 225-2002

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

Upon the application of **J. BURNS BROWN OPERATING COMPANY** for an order designating all of Section 24, T34N-R17E, Blaine County, Montana, as a permanent spacing unit for production of gas from the Eagle Formation and designating the Wilmes 24-34-17 well in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 24 as a permitted Eagle gas well in said permanent spacing unit. Applicant further requests permission to drill and produce a second Eagle gas well in said Section 24 at a location 1700' FSL and 2620' FWL with a 100 foot tolerance for topographic reasons.

Dockets 226-2002 and 227-2002 were continued prior to docket publication

Docket No. 228-2002

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an Eagle Sand Formation gas well 750' FNL

and 2000' FWL of Section 22, T35N-R15E, Hill County, Montana, with a 75-foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 229-2002

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to create a temporary spacing unit comprised of Lots 1, 2, 3, 4, 5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (all) of Section 6 and Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) of Section 7, T24N-R56E, Richland County, Montana, for the purpose of drilling and producing a dual-lateral Bakken Formation well thereon at locations not closer than 660 feet to the boundaries of said temporary spacing unit.

Docket No. 230-2002

APPLICANT: ENCANA ENERGY RESOURCES INC. – LIBERTY AND HILL COUNTIES, MONTANA

Upon the application of **ENCANA ENERGY RESOURCES INC.** for an order delineating the E $\frac{1}{2}$ of Section 25, T34N-R7E, Liberty County, Montana and Lots 1, 2, 3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$) of Section 30, T34N-R8E, Hill County, Montana, as a permanent spacing unit for the PCE Gletcher 9-25 Sawtooth Formation natural gas well.

Docket No. 231-2002

APPLICANT: BLACK HAWK RESOURCES – CHOUTEAU COUNTY, MONTANA

Upon the application of **BLACK HAWK RESOURCES** to drill an additional Eagle Formation gas well in Section 8, T25N-R16E, Chouteau County, Montana, at a location 2268' FSL and 2219' FWL of said Section 8 with a 100-foot tolerance for topographic reasons.

Docket No. 141-2001

Continued from August, 2001

APPLICANT: MILLER EXPLORATION COMPANY – GLACIER COUNTY, MONTANA

Upon the application of **MILLER EXPLORATION COMPANY** to designate the NE $\frac{1}{4}$ of Section 21, the NW $\frac{1}{4}$ of Section 22, and the NW $\frac{1}{4}$ of Section 27, all in T34N-R10W, Glacier County, Montana, as permanent spacing units for gas production from zones and formations from the surface to 950 feet in depth. Applicant requests that the permitted well for each unit be located anywhere within the unit but not closer than 660 feet to the spacing unit boundaries with a 150 foot tolerance for topographic reasons.

Docket No. 208-2002 and 15-2002 FED

Continued from August, 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. 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.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary