

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

IN THE MATTER OF THE APPLICATION OF
ROBINSON OIL COMPANY, LLC FOR AN
ORDER APPROVING THE S½ OF SECTION 23,
T32N-R2E, TOOLE COUNTY, MONTANA, AS
A PERMANENT SPACING UNIT FOR ITS
PROPOSED HELLINGER #1-23 BOW ISLAND
FORMATION GAS WELL. (DEVON FIELD)

ORDER NO. 186-2002

Docket No. 232-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 S½ of Section 23, T32N-R2E, Toole County, Montana, is designated as a permanent spacing unit for Robinson Oil Company's proposed Hellinger #1-23 Bow Island Formation gas well to be located approximately 990' FSL and 2094' FEL of said Section 23.

IT IS FURTHER ORDERED that the Bow Island Formation underlying said section comprises multiple sand bodies that are separate and distinct and, subject to administrative approval, applicant may, at its option, designate 320-acre permanent spacing units for future wells drilled within Section 23 for each separate and distinct Bow Island Formation sand body.

BOARD ORDER NO. 186-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
LYCO ENERGY CORPORATION TO DELINEATE
ALL OF SECTION 31, T25N-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
THE DRILLING OF UP TO TWO HORIZONTAL
WELLS TO BE LOCATED ANYWHERE WITHIN
SAID SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE SPACING UNIT BOUNDARIES.

ORDER NO. 187-2002

Docket No. 233-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 187-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
LYCO ENERGY CORPORATION TO DELINEATE
ALL OF SECTION 11, T24N-R54E, 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.

ORDER NO. 188-2002

Docket No. 234-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 the application of Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 188-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
LYCO ENERGY CORPORATION TO CREATE
A TEMPORARY SPACING UNIT COMPRISED
OF ALL OF SECTIONS 19 AND 30, T24N-R56E,
RICHLAND COUNTY, MONTANA, FOR THE
DRILLING OF UP TO TWO HORIZONTAL
WELLS IN THE BAKKEN FORMATION AND
AUTHORIZING SAID WELLS TO BE LOCATED
ANYWHERE WITHIN SAID TEMPORARY
SPACING UNIT BUT NOT CLOSER THAN 660
FEET TO THE UNIT BOUNDARIES THEREOF.

ORDER NO. 189-2002

Docket No. 235-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Lyco Energy Corporation is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 189-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
LYCO ENERGY CORPORATION FOR A
TEMPORARY SPACING UNIT COMPRISED
OF ALL OF SECTIONS 1 AND 12, T23N-R56E,
RICHLAND COUNTY, MONTANA, FOR THE
DRILLING OF UP TO TWO HORIZONTAL WELLS
IN THE BAKKEN FORMATION AND AUTHORIZING
SAID WELLS TO BE LOCATED ANYWHERE WITHIN
SAID TEMPORARY SPACING UNIT BUT NOT CLOSER
THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 190-2002

Docket No. 236-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 190-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
LYCO ENERGY CORPORATION TO CREATE
A TEMPORARY SPACING UNIT COMPRISED
OF ALL OF SECTIONS 19 AND 30, T25N-R54E,
RICHLAND COUNTY, MONTANA, FOR THE
DRILLING OF UP TO TWO HORIZONTAL
WELLS IN THE BAKKEN FORMATION AND
AUTHORIZING SAID WELLS TO BE LOCATED
ANYWHERE WITHIN SAID TEMPORARY
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 191-2002

Docket No. 237-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 191-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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 AN EAGLE GAS TEST WELL 2225'
FNL AND 660' FWL OF SECTION 27, T34N-R14E,
HILL COUNTY, MONTANA, AS AN EXCEPTION
TO THE BROWN'S COULEE FIELD RULES
ESTABLISHED BY BOARD ORDER 7-74.

ORDER NO. 192-2002

Docket No. 241-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 the application of J. Burns Brown Operating Company is granted as applied for.

BOARD ORDER NO. 192-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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 AN ADDITIONAL EAGLE GAS WELL
IN THE NW¼ OF SECTION 27, T34N-R14E,
HILL COUNTY, MONTANA, AT A LOCATION
NOT LESS THAN 660 FEET FROM THE EXTERIOR
BOUNDARIES OF SAID SPACING UNIT AS AN
EXCEPTION TO THE BROWN'S COULEE FIELD
RULES ESTABLISHED BY BOARD ORDER 7-74.

ORDER NO. 193-2002

Docket No. 242-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 hereafter 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 J. Burns Brown Operating Company is granted as applied for.

BOARD ORDER NO. 193-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
FIDELITY EXPLORATION & PRODUCTION
COMPANY FOR AN ORDER VACATING
WELL LOCATION AND SPACING RULES, IF
PRESENTLY APPLICABLE, WITH REGARD TO THE
NIOBRARA FORMATION UNDERLYING THE SACO,
EAST SACO, NORTH SACO, NORTHEAST NELSON,
NORTHWEST NELSON, SOUTHEAST NELSON, AND
SOUTHWEST NELSON SUBDIVISIONS OF THE
BOWDOIN DOME UNIT AREA AND HINSDALE
SHALLOW UNIT AREA IN VALLEY AND PHILLIPS
COUNTIES, MONTANA.

ORDER NO. 194-2002

Docket No. 243-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Board Order 135-97 is clarified to direct that spacing is waived for all formations within the Colorado Group for those lands committed to the Bowdoin Unit and subdivisions thereof, and also lands committed to the Hinsdale Shallow Unit.

IT IS FURTHER ORDERED that production from all formations within the Colorado Group, including the Niobrara Formation, may be commingled with other production on lands committed to the Bowdoin Dome and Hinsdale Shallow Units.

BOARD ORDER NO. 194-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
MAKOIL, INC. FOR A CLASS II INJECTION
WELL PERMIT TO INJECT PRODUCED WATER
FROM THE RATCLIFFE FORMATION IN THE
NORTH GOOSE LAKE UNIT INTO ITS
JENSEN #1 WELL IN THE NWNW OF SECTION 34,
T36N-R58E, SHERIDAN COUNTY, MONTANA.

ORDER NO. 195-2002

Docket No. 245-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Makoil, Inc. is authorized to inject produced water from the Ratcliffe Formation in the North Goose Lake Unit into its Jensen #1 well in the NWNW of Section 34, T36N-R58E, Sheridan County, Montana subject to condition that the Espeland #1 well be plugged before injecting into the Jensen #1 well.

BOARD ORDER NO. 195-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
HOWELL PETROLEUM CORPORATION FOR
AN ORDER POOLING ALL FRONTIER FORMATION
INTERESTS IN THE PERMANENT SPACING UNIT
CREATED BY BOARD ORDER 1-2002 (USA #34-1
WELL) IN A PORTION OF SECTION 34, T9S-R23E
(ELK BASIN FIELD), CARBON COUNTY, MONTANA.

ORDER NO. 196-2002

Docket No. 246-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Howell Petroleum Corporation is granted as applied for.

BOARD ORDER NO. 196-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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, INC. TO DRILL AN
ADDITIONAL EAGLE SAND FORMATION
GAS WELL 2470' FNL AND 2420' FWL
OF SECTION 34, T32N-R16E, HILL COUNTY,
MONTANA, WITH A 200-FOOT TOLERANCE
FOR TOPOGRAPHIC OR ARCHAEOLOGICAL
REASONS AS AN EXCEPTION TO BOARD
ORDER 10-70 (TIGER RIDGE FIELD)

ORDER NO. 197-2002

Docket No. 256-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 197-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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, INC. TO DRILL AN
ADDITIONAL EAGLE SAND FORMATION
GAS WELL 990' FSL AND 990' FEL OF
SECTION 25, T32N-R16E, HILL COUNTY,
MONTANA, WITH A 200-FOOT TOLERANCE
FOR TOPOGRAPHIC OR ARCHAEOLOGICAL
REASONS AS AN EXCEPTION TO BOARD
ORDER 10-70 (TIGER RIDGE FIELD)

ORDER NO. 198-2002

Docket No. 257-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 198-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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, INC. TO DRILL UP TO THREE
ADDITIONAL EAGLE SAND FORMATION GAS
WELLS ANYWHERE WITHIN SECTION 2, T26N-R20E,
BLAINE COUNTY, MONTANA, BUT NOT CLOSER THAN
660 FEET TO THE SPACING UNIT BOUNDARIES
WITH A 200-FOOT TOLERANCE FOR TOPOGRAPHIC
OR ARCHAEOLOGIC REASONS AS AN EXCEPTION
TO THE SAWTOOTH MOUNTAIN FIELD RULES
ESTABLISHED BY BOARD ORDER 45-76.

ORDER NO. 199-2002

Docket No. 258-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 199-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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, INC. TO DRILL AN
EAGLE SAND FORMATION
GAS WELL 750' FNL AND 1100' FWL OF
SECTION 3, T31N-R17E, HILL COUNTY,
MONTANA, WITH A 200-FOOT TOLERANCE
FOR TOPOGRAPHIC OR ARCHAEOLOGIC
REASONS AS AN EXCEPTION TO BOARD
ORDER 11-72 (TIGER RIDGE GAS UNIT AREA)

ORDER NO. 200-2002

Docket No. 259-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 200-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
HIGH PLAINS ENERGY, INC. FOR A CLASS II
UNDERGROUND INJECTION PERMIT FOR ITS
BURKHARTSMEYER 12-6-33-11 WELL LOCATED
IN SECTION 6, T33N-R11E, HILL COUNTY,
MONTANA.

ORDER NO. 201-2002

Docket No. 261-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 proposes to inject produced water from the Sawtooth Formation into the Madison Formation at a depth of 3640 feet to 3730 feet and an aquifer exemption has been requested.
3. 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 High Plains Energy, Inc. is granted as applied for.

BOARD ORDER NO. 201-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
SUMMIT RESOURCES, INC. FOR AN ORDER
PROVIDING FOR THE UNIT OPERATION OF THE
FOLLOWING DESCRIBED LANDS IN BLAINE
COUNTY, MONTANA: T34N-R20E
SECTION 7: LOT 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
SECTION 18: LOTS 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
CONTAINING 515.36 ACRES, MORE OR LESS.
(RABBIT HILLS (BOWES) UNIT)

ORDER NO. 202-2002

Docket No. 262-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 present evidence, oral and documentary.
2. The proposed Unit Area is composed of the Bowes Formation underlying the lands described in the caption.
3. Applicant owns leasehold interests underlying more than 60 percent of the surface of the Unit lands and has formulated a Plan of Unit Operations for the enhanced recovery of oil and gas from that portion of the Bowes Formation thereunder.
4. The primary energy of the reservoir has been substantially depleted and secondary recovery by water injection is feasible and reasonably necessary to increase the ultimate recovery of oil and gas and the inauguration and conduct of the waterflood injection program proposed by applicant will result in recovery of a substantial amount of additional oil which would otherwise remain in place.
5. There is a need for the operation as a Unit of the pool underlying the above-described lands and it is necessary that all owners of the oil and gas therein be unitized.
6. The evidence presented by applicant indicates it was not possible to effectuate a wholly voluntary unitization of interests in said reservoir and that the issuance of an order for the Unit operation of that part of the pool in the delineated area is necessary under the provisions of Section 82-11-204, MCA, et. seq.

BOARD ORDER NO. 202-2002

7. The value of the estimated additional recovery of oil less royalties exceeds the estimated additional costs incident to conducting such operations; the full aerial extent of such pool has been reasonably defined by drilling operations; the plan allocates each tract in the Unit Area its fair share of the oil and gas produced from the Unit Area not required or consumed in conduct of the operations of the Unit Area or unavoidably lost. The Board has considered the relative value that each share of production bears to the relative value of all of the separately owned tracts in the Unit Area exclusive of physical equipment utilized in Unit Operations.

8. The Unit Agreement has not yet been approved in writing by the requisite number of owners and persons and by the requisite percentage of interests in the Unit Area as specified in Section 82-11-206, MCA.

9. 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. The Board concludes as a matter of law that the application of Summit Resources, Inc. should be granted subject to the proof of 80 percent approval of said Unit.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Summit Resources, Inc. for an order providing for the operation as a Unit of the Bowes Formation in the Rabbit Hills Unit Area is approved subject to the applicant's submitting, within six months of the date of this order, proof that it has the requisite 80 percent approval of those interests as required by Section 82-11-207, MCA.

IT IS FURTHER ORDERED that said Rabbit Hills (Bowes) Unit is delineated to include the following lands:

Township 34N-Range 20E
Section 7: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 18: Lots 1 and 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

IT IS FURTHER ORDERED that, once the proof of the requisite 80 percent is provided, applicant may drill or utilize additional wells as necessary to operate its waterflood project, existing spacing orders governing Rabbit Hills Bowes proposed wells within the boundaries of the Unit are waived but no well may be drilled closer than 330 feet to the exterior boundaries of said Unit, and drilling permits for locations within the Unit boundaries may be granted without additional public notice.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Jack King, Board Member

Denzil Young, Vice-Chairman

Allen Kols tad, Board Member

Jerry Kennedy, 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
BASIC EARTH SCIENCE SYSTEMS, INC. FOR
A CLASS II INJECTION WEL PERMIT FOR ITS
VIRGIE GUENTHER 1-8 WELL (CLEAR LAKE
FIELD) LOCATED IN THE SESE OF SECTION 8,
T33N-R58E, SHERIDAN COUNTY, MONTANA, IN
WHICH APPLICANT PROPOSES TO INJECT
PRODUCED WATER FROM THE DUPEROW,
RATCLIFFE, NISKU, GUNTON, AND RED RIVER
FORMATIONS INTO THE DAKOTA FORMATION
AT A DEPTH OF 4000 FEET TO 4900 FEET.

ORDER NO. 203-2002

Docket No. 263-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Basic Earth Science Systems, Inc. is granted as applied for.

BOARD ORDER NO. 203-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
ENCORE OPERATING, L.P. TO CREATE A
SILURIAN/ORDOVICIAN PERMANENT
HORIZONTAL WELL SPACING UNIT
CONSISTING OF THE S½ OF SECTION 10,
T9N-R58E, FALLON COUNTY, MONTANA,
AND DESIGNATING THE WILLS CREEK
34X-10H WELL AS THE PERMITTED WELL IN
SAID PERMANENT SPACING UNIT AND
AUTHORIZING THE DRILLING OF AN ADDITIONAL
WELL IN SAID PERMANENT SPACING UNIT
IF NECESSARY TO FULLY DEVELOP AND
PRODUCE THE SILURIAN/ORDOVICIAN
RESERVES. (MONARCH FIELD)

ORDER NO. 204-2002

Docket No. 264-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Encore Operating, L.P. is granted with the condition that the setbacks for a second well, if drilled, shall be 660 feet from the unit boundary.

IT IS FURTHER ORDERED that said permanent spacing unit be added to the Monarch Field.

BOARD ORDER NO. 204-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
ENCORE OPERATING, L.P. FOR AN ORDER
POOLING ALL INTERESTS IN THE SPACING
UNIT COMPRISED OF THE S½ OF SECTION 10,
T9N-R58E, FALLON COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED GAS
FROM THE SILURIAN/ORDOVICIAN FORMATIONS
THEREUNDER ON A SURFACE ACREAGE BASIS.
(MONARCH FIELD)

ORDER NO. 205-2002

Docket No. 265-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 all interests in the spacing unit comprised of the S½ of Section 10, T9N-R58E, Fallon County, Montana, for production of oil and associated natural gas from the Silurian/Ordovician Formations thereunder are pooled on a surface acreage basis.

BOARD ORDER NO. 205-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
ENCORE OPERATING, L.P. FOR CERTIFICATION
OF THE ELIGIBILITY OF CERTAIN WELLS FOR
SECTION 15-36-304(F)

ORDER NO. 206-2002

Docket No. 266-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 enhanced oil recovery projects listed above are certified and the projected decline rates are set forth in the production forecast attached hereto and by reference made part hereof.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the APPLICATION OF encore Operating, L.P. is granted as applied for and the following wells are certified as horizontally recompleted wells.

Well Completion Date	API Well Number	Well Name
09/18/02	25-025-21443-00-00	Lookout Butte Unit 11-10CCH
06/03/02	25-025-05195-00-00	Pennel Unit 24-20BH
06/09/02	25-025-21366-00-00	Cabin Creek Unit 34-31H
06/28/02	25-025-21094-00-00	Pennel Unit 33X-25H
07/15/02	25-025-05602-00-00	Cabin Creek Unit 21-31H
07/18/02	25-025-05131-00-00	Lookout Butte Unit 42-15CCH
07/24/02	25-025-05012-00-00	Little Beaver Unit 22-30H
08/15/02	25-025-21237-00-00	Little Beaver, East, Unit 33X-08RH
08/26/02	25-025-05070-00-00	Little Beaver, East, Unit 12-34H
07/15/01	25-021-05015-00-00	Pine Unit 42-11DH
10/15/01	25-025-21946-00-00	Pine, S. Pine Unit 42X-26AH
05/01/02	25-025-05188-00-00	Pennel Unit 22-27BH

BOARD ORDER NO. 206-2002

IT IS FURTHER ORDERED that staff prepare the appropriate decline rate certifications and forward same to the Department of Revenue.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
ENCORE OPERATING, L.P. TO CONVERT
ITS 34-23 WELL LOCATED IN SECTION 23,
T9N-R58E, WITHIN MONARCH FIELD IN
FALLON COUNTY, MONTANA, TO A SALT
WATER DISPOSAL WELL. APPLICANT PROPOSES
TO INJECT PRODUCED WATER INTO THE
MISSION CANYON FORMATION AT A DEPTH
OF APPROXIMATELY 7270 FEET TO 7832 FEET.
DAILY INJECTION VOLUMES ARE EXPECTED
TO VARY BETWEEN 300 AND 1200 BARRELS OF
WATER A DAY DEPENDING ON RESERVOIR AND
MECHANICAL EQUIPMENT CONDITIONS.
(MONARCH FIELD)

ORDER NO. 207-2002

Docket No. 267-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Encore Operating, L.P. is granted as applied for.

BOARD ORDER NO. 207-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
BALCO INC. TO CONVERT ITS STATE A #3
WELL LOCATED 220' FNL AND 220' FEL OF
SECTION 16, T27N-R4W, PONDERA FIELD IN
PONDERA COUNTY, MONTANA, TO INJECT
MADISON LIMESTONE PRODUCED WATER
FROM ITS STATE B BATTERY LOCATED
IN THE NENE OF SAID SECTION 16.

ORDER NO. 208-2002

Docket No. 268-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Balco Inc. is granted as applied for.

BOARD ORDER NO. 208-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
BALCO INC. TO CONVERT ITS STATE B #5
WELL LOCATED 1100' FNL AND 220' FEL
OF SECTION 16, T27N-R4W, PONDERA
FIELD IN PONDERA COUNTY, MONTANA,
TO AN INJECTION WELL TO INJECT PRODUCED
WATER INTO THE MADISON FORMATION.

ORDER NO. 209-2002

Docket No. 269-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Balco Inc. is granted as applied for.

BOARD ORDER NO. 209-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
BALCO INC. TO CONVERT ITS HIRSHBERG #4
WELL LOCATED 1100' FSL AND 220' FW L OF
SECTION 14, T27N-R4W, PONDERA FIELD IN
PONDERA COUNTY, MONTANA, TO AN INJECTION
WELL TO INJECT PRODUCED WATER FROM ITS
HIRSHBERG BATTERY INTO THE MADISON
LIMESTONE FORMATION, WHICH IS AN
EXEMPTED AQUIFER.

ORDER NO. 210-2002

Docket No. 270-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Balco Inc. is granted as applied for.

BOARD ORDER NO. 210-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
GRIFFON PETROLEUM, INC. TO DELINEATE
A PERMANENT SPACING UNIT FOR PRODUCTION
FROM THE EAGLE FORMATION COMPRISED
OF THE FOLLOWING DESCRIBED LANDS IN
HILL COUNTY, MONTANA:
TOWNSHIP 33N-RANGE 11E
SECTION 6: LOTS 6 & 7, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (S $\frac{1}{2}$)
SECTION 7: LOTS 1 & 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ (N $\frac{1}{2}$)
CONTAINING 639.61 ACRES, MORE OR LESS.
(NORTH GILDFORD FIELD0

ORDER NO. 220-2002

Docket No. 226-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Hill County, Montana, are designated as a permanent spacing unit for production of gas from the Eagle Formation:

Township 33N-Range 11E

Section 6: Lots 6 & 7, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (S $\frac{1}{2}$)
Section 7: Lots 1 & 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ (N $\frac{1}{2}$)
Containing 639.61 acres, more or less.

IT IS FURTHER ORDERED that the S $\frac{1}{2}$ of Section 6 and the N $\frac{1}{2}$ of Section 7 are delineated as a permanent spacing unit for production of natural gas from the Cejan 1-7 Eagle Formation located 380' FNL and 2310' FEL of said Section 7.

BOARD ORDER NO. 220-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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
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 AND TO
DESIGNATE THE NE¼ AND THE 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. (SEARS COULEE FIELD)

ORDER NO. 211-2002

Docket No. 220-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 Prairie Dog Exploration LLC is granted as applied for.

IT IS FURTHER ORDERED that the area is named the Sears Coulee Gas Field.

BOARD ORDER NO. 211-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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 REQUIRING ROCKY
MOUNTAIN OPERATING COMPANY TO
SHOW CAUSE WHY THE BOARD SHOULD
NOT ACT TO CORRECT ITS YEARLY SPILLS
FROM ITS FOUR TENSLEEP SANDSTONE
OIL WELLS IN SNYDER CREEK FIELD,
BIG HORN COUNTY, MONTANA, AND
RESOLVE THE OUTSTANDING FINE
LEVIED FOR ITS PAST DEFICIENCIES
IN SNYDER CREEK FIELD.

ORDER NO. 212-2002

Docket No. 142-2000

Report of the Board

The above entitled cause came on regularly for hearing on the 5th day of December, 2002, 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 the outstanding \$9,500 fine should be repealed and that applicant be required to submit an additional cash bond in the amount of \$5,000 to cover reclamation of the Snyder Creek Field.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Rocky Mountain Operating Company furnish the Montana Board of Oil and Gas Conservation with an additional \$5,000 cash bond to cover reclamation of its operations in the Snyder Creek Field in Big Horn County, Montana.

IT IS FURTHER ORDERED that the outstanding fine of \$9,500 assessed against Rocky Mountain Operating Company is repealed.

BOARD ORDER NO. 212-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 2002

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

