

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½
(ALL) OF SECTION 2 AND LOTS 1, 2, 3, 4,
S½N½, S½ (ALL) OF SECTION 3,
T22N-R59E, RICHLAND COUNTY,
MONTANA, TO DRILL A HORIZONTAL
WELL TO THE BAKKEN FORMATION,
SAID WELL TO BE LOCATED ANYWHERE
WITHIN SAID SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 257-2006

Docket No. 292-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Headington Oil, Limited Partnership 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. 257-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½
(ALL) OF SECTION 6 AND ALL OF SECTION
7, T22N-R60E, RICHLAND COUNTY,
MONTANA, TO DRILL A HORIZONTAL WELL
TO THE BAKKEN FORMATION TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF.
APPLICANT FURTHER REQUESTS THAT BOARD
ORDER 51-1979 BE VACATED AS TO THE
LANDS INCLUDED IN THIS APPLICATION.

ORDER NO. 258-2006

Docket No. 293-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Headington Oil, Limited Partnership 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. 258-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 15,
T25N-R54E, RICHLAND COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND ASSOCIATED
GAS FROM THE BAKKEN FORMATION.

ORDER NO. 259-2006

Docket No. 294-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 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 of Section 15, T25N-R54E, Richland County, Montana, is delineated as a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

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. 259-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO DELINEATE ALL OF SECTIONS 28 AND
33, T26N-R53E, RICHLAND COUNTY,
MONTANA, AS A PERMANENT SPACING
UNIT FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 260-2006

Docket No. 295-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 of Sections 28 and 33, T26N-R53E, Richland County, Montana, are delineated as a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 260-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, 5, 6, 7,
S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, 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, T22N-R59E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION OF
OIL AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 261-2006

Docket No. 296-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, 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, T22N-R59E, Richland County, Montana, are delineated as a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

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. 261-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 9 AND
16, T22N-R59E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 262-2006

Docket No. 297-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 of Sections 9 and 16, T22N-R59E, Richland County, Montana, are delineated as a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

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. 262-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO POOL ALL INTERESTS IN THE SPACING
UNIT COMPRISED OF ALL OF SECTIONS 9
AND 16, T22N-R59E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES
IN ACCORDANCE WITH SECTION
82-11-202 (2), M.C.A.

ORDER NO. 263-2006

Docket No. 298-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 permanent spacing unit comprised of all of Sections 9 and 16, T22N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. is hereby authorized.

BOARD ORDER NO. 263-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO CREATE
A PERMANENT SPACING UNIT COMPRISED
OF LOTS 1, 2, 3, 4, S½N½, S½ (ALL) OF
SECTION 2, T22N-R57E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 264-2006

Docket No. 299-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 2, T22N-R57E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 264-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO POOL
ALL INTERESTS IN THE SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½
(ALL) OF SECTION 2, T22N-R57E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT
PENALTIES IN ACCORDANCE WITH
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 265-2006

Docket No. 300-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 2, T22N-R57E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

BOARD ORDER NO. 265-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL IN THE PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTION 12, T22N-R57E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
PERMANENT SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 266-2006

Docket No. 301-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Stone Energy Corporation is granted as applied for.

BOARD ORDER NO. 266-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL IN THE PERMANENT
SPACING UNIT COMPRISED OF LOTS
1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼,
SE¼ (ALL) OF SECTION 6, T22N-R58E,
RICHLAND COUNTY, MONTANA, SAID
WELL TO BE LOCATED ANYWHERE
WITHIN SAID SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 267-2006

Docket No. 302-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Stone Energy Corporation is granted as applied for.

BOARD ORDER NO. 267-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL IN THE PERMANENT
SPACING UNIT COMPRISED OF LOTS
1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 2,
T22N-R57E, SAID WELL TO BE LOCATED
ANYWHERE WITHIN SAID SPACING UNIT
BUT NOT CLOSER THAN 660 FEET TO
THE BOUNDARIES THEREOF.

ORDER NO. 268-2006

Docket No. 303-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Stone Energy Corporation is granted as applied for.

BOARD ORDER NO. 268-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO DRILL UP TO SIX ADDITIONAL EAGLE
FORMATION GAS WELLS ANYWHERE WITHIN
SECTION 5, T27N-R19E, BLAINE COUNTY,
MONTANA, AS AN EXCEPTION TO BOARD
ORDERS 45-76, 65-85, 19-99, 20-99, 162-2000 AND
41-2001; SAID WELLS TO BE LOCATED
ANYWHERE WITHIN SAID SECTION 5, BUT
NOT CLOSER THAN 600 FEET TO THE
BOUNDARIES THEREOF.
(SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 269-2006

Docket No. 304-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 previous orders relative to Section 5, T27N-R19E, Blaine County, Montana, are hereby amended to allow up to nine Eagle Formation gas wells in said Section 5.

IT IS FURTHER ORDERED that said additional wells shall be located no closer than 600 feet to the boundaries of Section 5, T27N-R19E, Blaine County, Montana.

BOARD ORDER NO. 269-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO AUTHORIZE
THE COMMINGLING OF EAGLE AND JUDITH
RIVER FORMATION GAS IN THE WELLBORE
OF THE REEVES # 12-25-18B WELL IN
SECTION 12, T25N-R18E, BLAINE COUNTY,
MONTANA.

ORDER NO. 270-2006

Docket No. 305-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 270-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE S½ OF SECTION 28 AND THE N½ OF
SECTION 33, T35N-R16E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF EAGLE
FORMATION GAS THROUGH THE
WELLBORE OF THE BESSETTE
28-14-35-16 WELL.

ORDER NO. 271-2006

Docket No. 306-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 28 and the N½ of Section 33, T35N-R16E, Hill County, Montana, are delineated as a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Bessette #28-14-35-16 well.

BOARD ORDER NO. 271-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE W $\frac{1}{2}$ OF SECTION 15 AND THE E $\frac{1}{2}$ OF
SECTION 16, T36N-R15E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF EAGLE
FORMATION GAS THROUGH THE
WELLBORE OF THE BUD-STATE
15-13-36-15B WELL.

ORDER NO. 272-2006

Docket No. 307-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 W $\frac{1}{2}$ of Section 15 and the E $\frac{1}{2}$ of Section 16, T36N-R15E, Hill County, Montana, are designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Bud-State # 15-13-36-15B well.

BOARD ORDER NO. 272-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 15, T36N-R15E, HILL
COUNTY, MONTANA, FOR PRODUCTION OF
EAGLE FORMATION GAS THROUGH THE
WELLBORE OF THE BUD-STATE
15-11-36-15 WELL.

ORDER NO. 273-2006

Docket No. 308-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Section 15, T36N-R15E, Hill County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Bud-State # 15-11-36-15 well.

BOARD ORDER NO. 273-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE E½ OF SECTION 22 AND THE W½
OF SECTION 23, T36N-R15E, HILL COUNTY,
MONTANA FOR PRODUCTION OF EAGLE
FORMATION GAS THROUGH THE
WELLBORE OF THE STATE # 22-8-36-15B
WELL.

ORDER NO. 274-2006

Docket No. 309-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 22 and the W½ of Section 23, T36N-R15E, Hill County, Montana, are designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the State # 22-8-36-15B well.

BOARD ORDER NO. 274-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE NW¼ OF SECTION 13, T25N-R18E,
BLAINE COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE
AND JUDITH RIVER FORMATIONS AND TO
AUTHORIZE THE COMMINGLING OF GAS
FROM SAID FORMATIONS THROUGH THE
WELLBORE OF THE GASVODA-FEDERAL
13-6-25-18 WELL.

ORDER NO. 275-2006

Docket No. 310-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 NW¼ of Section 13, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Gasvoda-Federal # 13-6-25-18 well.

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. 275-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DELINEATE
A FIELD AND ESTABLISH FIELD RULES FOR
PRODUCTION OF NATURAL GAS FROM THE
NIOBRARA AND JUDITH RIVER FORMATIONS
UNDERLYING THE FOLLOWING LANDS IN
HILL COUNTY, MONTANA:

ORDER NO. 276-2006

T37N-R15E

SECTIONS 1 – 17: ALL
SECTIONS 20 – 29: ALL
SECTIONS 33 – 36: ALL

T37N-R16E

SECTION 31: ALL

T36N-R15E

SECTIONS 1 – 3: ALL
SECTIONS 11 – 13: ALL

T36N-R16E

SECTIONS 5 - 8: ALL
SECTIONS 16 – 22: ALL
SECTIONS 27 – 29: ALL
SECTIONS 33 – 34: ALL

APPLICANT FURTHER REQUESTS THAT THE
ABOVE-DESCRIBED LANDS BE DESIGNATED AS
640-ACRE PERMANENT SPACING UNITS
COMPRISED OF REGULAR GOVERNMENTAL
SECTIONS WITH 660 FOOT SETBACKS FROM
SPACING UNIT BOUNDARIES, AND THAT UP TO
FOUR WELLS PER FORMATION PER SPACING
UNIT BE AUTHORIZED IF SUCH OPERATIONS
APPEAR TO BE REASONABLY NECESSARY FOR
THE ECONOMIC AND EFFICIENT RECOVERY OF
GAS FROM SAID FORMATIONS. APPLICANT
FURTHER REQUESTS THAT COMMINGLING OF
GAS PRODUCED FROM THE NIOBRARA AND
JUDITH RIVER FORMATIONS BE AUTHORIZED.

Docket No. 311-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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. Protest letters from land and mineral owners Wayne Heavey, Jim Heavey and Joe Heavey were read into the record by the Chairman.
3. A protest letter from Wesley P. James, personal representative of the Anna James Rector estate, was read into the record by the Chairman.
4. A letter from the Bureau of Land Management (BLM), requesting that the BOGC vacate Board Order 371-2004 and designate Section 21, T37N-R15E, Hill County, Montana, (lands included in this application) as a 640-acre permanent spacing unit, was read into the record by Mr. Jack Wunder, a geologist for the BLM.
5. Mr. Jerry Croft appeared in person to protest the BLM's request to re-space Section 21, as set forth in #4 above.
6. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

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

The E^{1/2} of Section 19 and the W^{1/2} of Section 20, T37N-15E, Hill County, Montana, remains the designated spacing unit for the Federal Signal Butte 19-37-15 (API # 041-22987) as designated by Board Order 324-2003. Section 20 was designed a permanent spacing unit by Board Order 388-2004 and is subject to the setback and well density requirements set forth in this order.

The NW^{1/4} and N^{1/2} SW^{1/4} of Section 21, T37N-R15E, Hill County, Montana, were designated a permanent spacing unit for the production of gas from the Niobrara Formation by Board Order 371-2004, which remains in effect. The E^{1/2} and S^{1/2} SW^{1/4} of said Section 21 are federal lands and the Bureau of Land Management will issue an order for development of those lands.

The S^{1/2} of Section 18 and the N^{1/2} of Section 19, T36N-16E, Hill County, Montana, were designated a permanent spacing unit by Board Order 9-2003, and said lands are the spacing unit for the Dusek Ranch 19-36-16B well (API # 041-22936), the Dusek Ranch 19-36-16 well (API # 04122876), and the State 18-36-16B well (API # 041-23020). Board Order 9-2003 remains in effect.

Section 18, T36N-R16E, Hill County, Montana, is designated a permanent spacing unit and includes the Dusek Ranch 18-36-16 well (API # 041-22875). Applicant is authorized to drill two additional Niobrara and Judith River Formation gas wells to be located in the N^{1/2} of said Section 18 at locations no closer than 660 feet to the exterior boundaries of the section.

BOARD ORDER NO. 276-2006

The S¹/₂ of Section 19 and the N¹/₂ of Section 30, T36N-16E, Hill County, Montana, remains the permanent spacing unit for the production of gas from the Eagle and Niobrara Formations as designated by Board Order 8-2003. Applicant is authorized to drill up to four Niobrara and Judith River Formation wells in said spacing unit with well locations no closer than 660 feet to spacing unit boundaries.

The N¹/₂ of Section 30, T36N-R16E, Hill County, Montana, is included within the area delineated by this order.

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.

IT IS FURTHER ORDERED by the Board of Oil and Gas Conservation that the lands included in this application be designated as the St. Joe Road Field.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CROFT PETROLEUM CO TO CONVERT THE
BRINDLEY #6 GAS WELL (API # 25-035-21782)
LOCATED IN THE NW¼SE¼ OF SECTION 1,
T36N-R6W, GLACIER COUNTY, MONTANA,
TO A WATER DISPOSAL WELL TO INJECT
PRODUCED WATER INTO THE MADISON
FORMATION. AN AQUIFER EXEMPTION IS
REQUESTED BECAUSE WATER PRODUCED
FROM THE MADISON FORMATION IN THIS
AREA CONTAINS 7450 MG/LITER OF TOTAL
DISSOLVED SOLIDS. (CUT BANK FIELD)

ORDER NO. 277-2006

Docket No. 313-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Croft Petroleum Co. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 277-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CLINE PRODUCTION COMPANY TO VACATE
BOARD ORDER 45-94, WHICH ESTABLISHED
A TEMPORARY SPACING UNIT FOR BOW
ISLAND FORMATION GAS PRODUCTION ON
THE FOLLOWING DESCRIBED LANDS IN
CHOUTEAU COUNTY, MONTANA: THE E½ OF
SECTION 1, T27N-R3E AND THE W½ OF
SECTION 6, T27N-R4E.

ORDER NO. 278-2006

Docket No. 314-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Cline Production Company is granted as applied for

BOARD ORDER NO. 278-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
TYLER OIL COMPANY FOR A CLASS II
INJECTION PERMIT FOR THE INFINITY
31-2 STATE WELL (API # 25-087-21635)
IN THE NW¼NE¼ OF SECTION 31,
T12N-R33E, ROSEBUD COUNTY,
MONTANA. THE SOURCE OF FLUIDS TO
BE INJECTED IS PRODUCED TYLER
SAND WATER FROM APPLICANT'S
OPERATIONS IN THE EAST RATTLER
BUTTE TYLER "C" WATERFLOOD UNIT
IN SUMATRA FIELD. INJECTION WILL
BE INTO THE TYLER "C" FROM 5530 TO
5542 FEET AND 5553 TO 5570 FEET.
[RATTLER BUTTE FIELD]

ORDER NO. 279-2006

Docket No. 315-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Tyler Oil Company is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 279-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

ORDER NO. 280-2006

UPON THE APPLICATION OF
KEESUN CORP. TO ADD SECTION 35,
T34N-R1W, TOOLE COUNTY,
MONTANA, TO THE PRAIRIE DELL
GAS FIELD, WHICH WAS
DELINEATED BY THE BOARD WITH
320-ACRE PERMANENT SPACING
UNITS FOR ALL ZONES,
FORMATIONS, OR HORIZONS ABOVE
THE RIERDON WITH TWO NATURAL
GAS WELLS PER SPACING UNIT, SAID
WELLS TO BE LOCATED NO CLOSER
THAN 660 FEET TO EACH SPACING
UNIT BOUNDARY; AND THAT THE
FOLLOWING WELLS BE DESIGNATED
AS EXCEPTIONS TO THE PRAIRIE DELL
GAS FIELD WELL LOCATION AND WELL
DENSITY RULES AND THEREFORE NOT
COUNTED AS WELLS WITHIN AND UPON
THE 320-ACRE PERMANENT SPACING
UNITS REQUESTED IN THIS
APPLICATION FOR SAID SECTION 35.

- a) THE HOLL #1 (API #25-101-10661)
IN THE SE¹/₄NE¹/₄SE¹/₄ OF SECTION
35, T34N-R1W
- b) THE HOLL #2 (API #25-101-10662)
IN THE NE¹/₄NE¹/₄NE¹/₄ OF SECTION
35, T34N-R1W
- c) THE HOLL #3 (API #25-101-10663)
IN THE SE¹/₄NE¹/₄NE¹/₄ OF SECTION
35, T34N-R1W
- d) THE GRIFFEN #1 (API #25-101-05225)
IN THE NE¹/₄SW¹/₄ OF SECTION 35,
T34N-R1W, AND
- e) THE JOHNSON #1 (API #25-101-05242)
IN THE NW¹/₄NW¹/₄NW¹/₄ OF SECTION
35, T34N-R1W

Docket No. 316-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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:

BOARD ORDER NO. 280-2006

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 Keesun Corp. is hereby granted as applied for.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
GRIFFON PETROLEUM, INC. TO CREATE
A TEMPORARY SPACING UNIT
COMPRISED OF THE S½ OF SECTION 16
AND THE N½ OF SECTION 21, T34N-R11E,
HILL COUNTY, MONTANA, TO DRILL ITS
PROPOSED SWINNEY #1-21 SAWTOOTH
FORMATION NATURAL GAS TEST WELL
LOCATED APPROXIMATELY 67' FNL AND
1111' FEL OF SAID SECTION 21 AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 281-2006

Docket No. 317-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Griffon Petroleum, Inc. is granted as applied for.

BOARD ORDER NO. 281-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
GRIFFON PETROLEUM, INC. TO DRILL A
NATURAL GAS TEST WELL IN SECTION
17, T34N-R10E, HILL COUNTY, MONTANA,
TO BE LOCATED APPROXIMATELY
832' FWL AND 1207' FSL OF SAID SECTION
17 AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 282-2006

Docket No. 318-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Griffon Petroleum, Inc. is granted as applied for.

IT IS FURTHER ORDERED THAT applicant will apply for permanent spacing within 90 days of completion of a commercial well.

BOARD ORDER NO. 282-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
WAVE, USA, INC. TO CREATE A
PERMANENT SPACING UNIT
COMPRISED OF THE SW¹/₄NE¹/₄ OF
SECTION 8, T36N-R2E, TOOLE
COUNTY, MONTANA, FOR
PRODUCTION OF NATURAL GAS
AND ASSOCIATED LIQUID
HYDROCARBONS FROM THE
SUNBURST FORMATION.
(MINERS COULEE GAS FIELD)

ORDER NO. 283-2006

Docket No. 319-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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. A protest letter from the Bureau of Land Management (BLM) was entered into the record by Mr. Jack Wunder, a geologist with the BLM.
3. 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 Miners Coulee Gas Field rules are amended to exclude the Sunburst Sandstone from the spacing unit consisting of the NE¹/₄ of Section 8, T36N-R2E, Toole County, Montana.

IT IS FURTHER ORDERED that Board Order 78-80 is vacated as it applies to the Sunburst Sandstone.

IT IS FURTHER ORDERED that the SW¹/₄NE¹/₄ of Section 8, T36N-R2E, Toole County, Montana, is designated a permanent spacing unit for production of gas and associated liquid hydrocarbons from the Sunburst Sandstone.

BOARD ORDER NO. 283-2006

IT IS FURTHER ORDERED that applicant's Berthelote 7-8 well is the designated well for said spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

I dissent. I do not believe 40-acre spacing is appropriate for this gas well.

Jack King, Board Member

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

UPON THE APPLICATION OF
WAVE, USA, INC. TO DRILL AN OIL
WELL TO TEST THE SUNBURST "B"
SAND FORMATION IN THE SW¹/₄SW¹/₄
OF SECTION 24, T37N-R2E, TOOLE
COUNTY, MONTANA, AT A
PROPOSED LOCATION 810' FSL AND
165' FWL OF SAID SECTION 24 AS AN
EXCEPTION TO A.R.M. 36.22.702 AND
BOARD ORDERS 29-63 AND 133-2006.
(FRED & GEORGE CREEK FIELD)

ORDER NO. 284-2006

Docket No. 320-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Wave, USA, Inc. to drill an oil well to test the Sunburst "B" Sand Formation in the SW¹/₄SW¹/₄ of Section 24, T37N-R2E, Toole County, Montana, at a proposed location 810' FSL and 165' FWL of said Section 24 as an exception to A.R.M. 36.22.702 and Board Orders 29-63 and 133-2006 is hereby granted.

BOARD ORDER NO. 284-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENCORE OPERATING, L.P. TO
CREATE A 120-ACRE
TEMPORARY SPACING UNIT
CONSISTING OF THE N $\frac{1}{2}$ SE $\frac{1}{4}$,
SE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 27,
T14N-R55E, DAWSON COUNTY,
MONTANA, TO DRILL A
HORIZONTAL RED RIVER
FORMATION OIL TEST WELL
ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER
THAN 100 FEET FROM THE
BOUNDARIES THEREOF.

ORDER NO. 285-2006

Docket No. 323-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Encore Operating, L.P. is granted as applied for.

BOARD ORDER NO. 285-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENCORE OPERATING, L.P. TO CREATE
A PERMANENT SPACING UNIT FOR THE
RED RIVER FORMATION COMPRISED OF
LOTS 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (ALL) OF
SECTION 7, T14N-R58E, DAWSON COUNTY,
MONTANA, AND TO DESIGNATE
APPLICANT'S BR 24X-7 WELL AS THE
AUTHORIZED WELL FOR SAID SPACING
UNIT.

ORDER NO. 286-2006

Docket No. 324-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) of Section 7, T14N-R58E, Dawson County, Montana, is designated a permanent spacing unit for the production of oil and associated natural gas from the Red River Formation.

IT IS FURTHER ORDERED that applicant's BR 24X-7 well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 286-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY FOR AN ORDER
AUTHORIZING AND APPROVING A
TOPOGRAPHIC TOLERANCE OF UP TO 460
FEET FOR ANY AND ALL EAGLE SAND
FORMATION WELLS DRILLED WITHIN THE
EXTERIOR BOUNDARIES OF THE BAKER
NORTH EAGLE UNIT (CEDAR CREEK GAS
FIELD), INCLUSIVE OF ANY UNCOMMITTED
TRACT THEREIN.

ORDER NO. 287-2006

Docket No. 327-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Fidelity Exploration & Production Company is granted as applied for.

BOARD ORDER NO. 287-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CLINE PRODUCTION COMPANY FOR A
CLASS II INJECTION PERMIT FOR THE
OTTOMAN #2 WELL (API # 25-087-05168)
LOCATED IN THE SW NE OF
SECTION 25, T11N-R32E, ROSEBUD COUNTY,
MONTANA, TO INJECT PRODUCED
WATER FROM THE SE SUMATRA UNIT
AND A MADISON SUPPLY WELL INTO
THE TYLER FORMATION AT A DEPTH
OF 4818 TO 4846 FEET.

ORDER NO. 288-2006

Docket No. 254-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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 Cline Production Company is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 288-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S OWN MOTION
REQUIRING MOUNTAIN PACIFIC GENERAL, INC.
TO APPEAR AND SHOW CAUSE, IF ANY IT
HAS, WHY IT SHOULD NOT BE
REQUIRED TO IMMEDIATELY PLUG
THE STATE 2-16 WELL IN THE W $\frac{1}{2}$ NE $\frac{1}{4}$
OF SECTION 16, T2N-R20E, STILLWATER
COUNTY, MONTANA, (API # 25-095-21085)
AS PER THE REQUEST OF THE TRUST
LAND MANAGEMENT DIVISION OF THE
MONTANA DEPARTMENT OF NATURAL
RESOURCES AND CONSERVATION; AND
WHY IT SHOULD NOT IMMEDIATELY
PROVIDE A PLUGGING PLAN FOR OTHER
WELLS WHICH HAVE BEEN SHUT-IN FOR
MORE THAN ONE YEAR, IN VIOLATION OF
A.R.M. 36.22.1303.

ORDER NO. 289-2006

Docket No. 223-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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. Mr. Jeff Lyon of Mountain Pacific General, Inc. appeared in person at the hearing.
3. The evidence indicates that taking the following action 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 Mountain Pacific General, Inc. shall have the State 2-16 well in the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 16, T2N-R20E, Stillwater County, Montana, plugged by August 10, 2006.

IT IS FURTHER ORDERED that the Board shall hold the \$10,000 remitted to the Board by Mountain Pacific General, Inc., per Board Order 255-2006, until August 10, 2006.

BOARD ORDER NO. 289-2006

IT IS FURTHER ORDERED that if the State 2-16 well is plugged by August 10, 2006, the Board will issue a \$10,000 reimbursement check to Mountain Pacific General, Inc.

IT IS FURTHER ORDERED that if the State 2-16 well is not plugged by August 10, 2006, the \$10,000 remitted by Mountain Pacific General, Inc. is forfeited to the Board.

IT IS FURTHER ORDERED that Mountain Pacific General, Inc. shall appear at the Board's September 6, 2006 business meeting in Havre, Montana, and present a written report regarding plugging plans and timelines for its wells that have been shut-in for over one year; said report shall also include evidence of effort to convert some shut-in wells to domestic gas wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S OWN MOTION
REQUIRING TOI OPERATING (TOI) TO
APPEAR AND SHOW CAUSE, IF ANY IT HAS,
WHY ITS WELLS IN FALLON, RICHLAND AND
WIBAUX COUNTIES (INCLUDING TWO
WELLS OPERATED BY TOI BUT BONDED
BY BLACK HAWK RESOURCES) SHOULD
NOT BE SHUT-IN AND WHY OTHER
PENALTIES SHOULD NOT BE APPLIED
FOR FAILURE TO MAINTAIN SURFACE
EQUIPMENT AND LOCATIONS IN A
SATISFACTORY MANNER.

ORDER NO. 290-2006

Docket No. 291-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the conference room of the Billings Petroleum Club in the Billings Sheraton in 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. Member Don Bradshaw was absent and took no part in the proceedings on this matter. 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. Mr. Keith Carver and Mr. Mike Gleason appeared in person on behalf of TOI Operating.
3. 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 this Show-Cause action against TOI Operating is hereby dismissed.

IT IS FURTHER ORDERED that the \$4200 fine is hereby forgiven.

BOARD ORDER NO. 290-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of July, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

