

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

UPON THE APPLICATION OF
ENCORE OPERATING, L.P. TO
CONVERT THE CORAL CREEK
22-11CCH HORIZONTAL RED
RIVER PRODUCING WELL
(API # 25-025-05145) LOCATED
IN THE SE¼NW¼ OF SECTION
11, T6N-R60E, LOOKOUT
BUTTE FIELD, FALLON
COUNTY, MONTANA, TO A
HORIZONTAL WATER
INJECTION WELL TO INJECT
PRODUCED FLUIDS INTO THE
RED RIVER FORMATION.

ORDER NO. 291-2006

Docket No. 328-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 291-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK 11-15CCH
PRODUCING HORIZONTAL RED RIVER
WELL (API # 25-025-21445) LOCATED IN
LOOKOUT BUTTE FIELD IN FALLON
COUNTY, MONTANA, WITH A SURFACE
HOLE LOCATION IN THE NW¹/₄NW¹/₄ OF
SECTION 15, T6N-R60E, TO A HORIZONTAL
WATER INJECTION WELL TO INJECT
PRODUCED FLUIDS INTO THE RED
RIVER FORMATION.

ORDER NO. 292-2006

Docket No. 329-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 292-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE PENNEL 14X-32C WELL
(API # 25-025-21856), WHICH IS AN
ACTIVE PRODUCER PUMPING FROM
THE RED RIVER U6 INTERVAL AND
LOCATED IN THE SW¹/₄SW¹/₄ OF SECTION
32, T8N-R60E, PENNEL FIELD, FALLON
COUNTY, MONTANA, TO A SALT WATER
DISPOSAL WELL WITHIN THE PENNEL
WATERFLOOD UNIT TO DISPOSE OF
PRODUCED WATER FROM APPLICANT'S
PENNEL OIL FIELD PRODUCTION
OPERATIONS.

ORDER NO. 293-2006

Docket No. 330-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 293-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK 14-14CCH
HORIZONTAL RED RIVER PRODUCING
WELL (API # 25-025-21573) LOCATED IN
THE SW¼SW¼ OF SECTION 14, T6N-R60E,
LOOKOUT BUTTE FIELD, FALLON
COUNTY, MONTANA, TO A HORIZONTAL
WATER INJECTION WELL TO INJECT
PRODUCED FLUIDS INTO THE RED RIVER
FORMATION.

ORDER NO. 294-2006

Docket No. 331-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 294-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK #42-10RCCH
PRODUCING HORIZONTAL RED RIVER
WELL (API # 25-025-21438) LOCATED IN
LOOKOUT BUTTE FIELD IN FALLON
COUNTY, MONTANA, WITH A SURFACE
HOLE LOCATION IN THE SE¼NE¼ OF
SECTION 10, T6N-R60E, TO A HORIZONTAL
WATER INJECTION WELL TO INJECT
PRODUCED FLUIDS INTO THE RED RIVER
FORMATION.

ORDER NO. 295-2006

Docket No. 332-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 295-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK #44-03CCH
PRODUCING HORIZONTAL RED RIVER
WELL (API # 25-025-05153) LOCATED IN
LOOKOUT BUTTE FIELD IN FALLON
COUNTY, MONTANA, WITH A SURFACE
HOLE LOCATION IN THE SE¼SE¼ OF
SECTION 3, T6N-R60E, TO A HORIZONTAL
WATER INJECTION WELL TO INJECT
PRODUCED FLUIDS INTO THE RED RIVER
FORMATION.

ORDER NO. 296-2006

Docket No. 333-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 296-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK 12X-14H PRODUCING
HORIZONTAL RED RIVER WELL
(API # 25-025-21536) LOCATED IN
LOOKOUT BUTTE FIELD IN FALLON
COUNTY, MONTANA, WITH A SURFACE
HOLE LOCATION IN THE SW¹/₄NW¹/₄ OF
SECTION 14, T6N-R60E, TO A HORIZONTAL
WATER INJECTION WELL TO DISPOSE OF
PRODUCED FLUIDS INTO THE RED RIVER
FORMATION.

ORDER NO. 297-2006

Docket No. 334-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 297-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK 44X-15H
HORIZONTAL RED RIVER PRODUCING
WELL (API # 25-025-21517) LOCATED IN
THE SE¼SE¼ OF SECTION 15, T6N-R60E,
IN LOOKOUT BUTTE FIELD IN FALLON
COUNTY, MONTANA, TO A HORIZONTAL
WATER INJECTION WELL TO DISPOSE OF
PRODUCED FLUIDS INTO THE RED
RIVER FORMATION.

ORDER NO. 298-2006

Docket No. 335-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 298-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CONVERT
THE CORAL CREEK #24XX-15H
HORIZONTAL RED RIVER PRODUCING
WELL (API # 25-025-22521) LOCATED IN
THE SE¼SW¼ OF SECTION 15, T6N-R60E,
LOOKOUT BUTTE FIELD, FALLON
COUNTY, MONTANA, TO A HORIZONTAL
WATER INJECTION WELL TO DISPOSE OF
PRODUCED FLUIDS INTO THE RED RIVER
FORMATION.

ORDER NO. 299-2006

Docket No. 336-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 299-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
NANCE PETROLEUM CORPORATION TO
CREATE A PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 20,
T22N-R58E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL
AND ASSOCIATED GAS FROM THE
BAKKEN FORMATION AND TO
DESIGNATE APPLICANT'S SIMARD
FARMS 4-20H WELL AS THE
AUTHORIZED WELL FOR SAID
SPACING UNIT.

ORDER NO. 300-2006

Docket No. 337-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 all of Section 20, T22N-R58E, Richland County, Montana, is delineated as a permanent spacing unit for production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Simard Farms 4-20H well is the authorized well for said spacing unit.

BOARD ORDER NO. 300-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
NANCE PETROLEUM CORPORATION TO
DRILL AN ADDITIONAL BAKKEN
FORMATION HORIZONTAL WELL IN
THE 640-ACRE PERMANENT SPACING
UNIT COMPRISED OF ALL OF SECTION
20, T22N-R58E, RICHLAND COUNTY,
MONTANA, WITH SAID HORIZONTAL
LATERAL TO BE LOCATED NO CLOSER
THAN 660 FEET TO THE EXTERIOR
BOUNDARIES OF SAID SPACING UNIT.

ORDER NO. 301-2006

Docket No. 338-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 Nance Petroleum Corporation is authorized to drill an additional Bakken Formation well in the 640-acre permanent spacing unit comprised of all of Section 20, T22N-R58E, Richland County, Montana, with said horizontal lateral to be located no closer than 660 feet to the exterior boundaries of said spacing unit.

BOARD ORDER NO. 301-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
NANCE PETROLEUM CORPORATION
TO CREATE A PERMANENT SPACING
UNIT COMPRISED OF THE W $\frac{1}{2}$, NE $\frac{1}{4}$
OF SECTION 26, T28N-R58E,
ROOSEVELT COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND
ASSOCIATED GAS FROM THE
RATCLIFFE FORMATION AND TO
DESIGNATE APPLICANT'S SIMARD
13-26XH WELL AS THE AUTHORIZED
WELL FOR SAID SPACING UNIT.

ORDER NO. 302-2006

Docket No. 339-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 W $\frac{1}{2}$, NE $\frac{1}{4}$ of Section 26, T28N-R58E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

IT IS FURTHER ORDERED that applicant's Simard 13-26XH well is the authorized well for said spacing unit.

BOARD ORDER NO. 302-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
CONTINENTAL RESOURCES, INC. TO
CONVERT THE CURRENTLY
PRODUCING HORIZONTAL CORRAL
CREEK 1-2F WELL (API # 25-025-21701)
LOCATED IN THE WEST CEDAR HILLS
UNIT IN FALLON COUNTY, MONTANA,
WITH A SURFACE HOLE LOCATION IN
THE NWSW OF SECTION 2, T6N-R61E,
TO A WATER INJECTION WELL IN THE
RED RIVER "B" FORMATION FOR
ENHANCED RECOVERY PURPOSES.

ORDER NO. 303-2006

Docket No. 340-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 Continental Resources, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 303-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 VACATE BOARD ORDER 65-2004,
WHICH CREATED A TEMPORARY SPACING
UNIT COMPRISED OF ALL OF SECTIONS 15
AND 22, T26N-R52E, RICHLAND COUNTY,
MONTANA, AND TO DESIGNATE A NEW
TEMPORARY SPACING UNIT COMPRISED OF
ALL OF SECTIONS 22 AND 23, T26N-R52E,
RICHLAND COUNTY, MONTANA, FOR THE
PURPOSES OF DRILLING A HORIZONTAL
BAKKEN FORMATION WELL ANYWHERE
WITHIN THE NEW TEMPORARY SPACING
UNIT BUT NOT CLOSER THAN 660 FEET TO
THE BOUNDARIES THEREOF.

ORDER NO. 304-2006

Docket No. 348-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 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. 304-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. TO CREATE A
PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 27,
T27N-R53E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF
OIL AND ASSOCIATED NATURAL
GAS FROM THE BAKKEN FORMATION.

ORDER NO. 305-2006

Docket No. 349-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 all of Section 27, T27N-R53E, Richland County, Montana, is designated 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. 305-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. TO CREATE A
PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 32,
T26N-R54E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL
AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 306-2006

Docket No. 350-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 all of Section 32, T26N-R54E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 306-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. TO CREATE A
PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, E½W½,
E½ (ALL) OF SECTION 18, T26N-R53E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM
THE BAKKEN FORMATION.

ORDER NO. 307-2006

Docket No. 351-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 all of Lots 1, 2, 3, 4, E½W½, E½ (All) of Section 18, T26N-R53E, Richland County, Montana, is designated 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. 307-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. 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 3 AND ALL OF
SECTION 10, T25N-R53E, RICHLAND
COUNTY, MONTANA, ANYWHERE
WITHIN SAID PERMANENT SPACING
UNIT BUT NOT CLOSER THAN 660
FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 308-2006

Docket No. 352-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 308-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. 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 4 AND ALL OF
SECTION 9, T25N-R53E, RICHLAND
COUNTY, MONTANA, TO BE LOCATED
ANYWHERE WITHIN SAID
PERMANENT SPACING UNIT BUT
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 309-2006

Docket No. 353-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 309-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
EOG RESOURCES, INC. 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 5 AND ALL OF
SECTION 8, T25N-R53E, RICHLAND
COUNTY, MONTANA, TO BE LOCATED
ANYWHERE WITHIN SAID
PERMANENT SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 310-2006

Docket No. 354-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 310-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 ROBINSON-
FEDERAL #3-12-25-18B WELL TO
BE PRODUCED AS AN
INCREASED DENSITY WELL IN
THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION
3, T25N-R18E, BLAINE COUNTY,
MONTANA, AND TO AUTHORIZE
THE COMMINGLING OF EAGLE
SAND AND JUDITH RIVER
FORMATION GAS IN THE
WELLBORE OF THE ROBINSON-
FEDERAL #3-12-25-18B WELL.

ORDER NO. 311-2006

Docket No. 359-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. 311-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CREATE A TEMPORARY SPACING
UNIT COMPRISED OF THE E½ OF
SECTION 26 AND THE W½ OF SECTION 25,
T31N-R19E, BLAINE COUNTY, MONTANA,
TO DRILL A GAS WELL ANYWHERE WITHIN SAID
TEMPORARY SPACING UNIT BUT NOT
CLOSER THAN 600 FEET TO THE
BOUNDARIES THEREOF AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 312-2006

Docket No. 360-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Prior to hearing, applicant agreed with staff's recommendation and modified its application to include a 990-foot setback from spacing unit boundaries instead of a 600-foot setback as originally requested.
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 E½ of Section 26 and the W½ of Section 25, T31N-R19E, Blaine County, Montana, is designated a temporary spacing unit.

IT IS FURTHER ORDERED that applicant is authorized to drill a gas well anywhere within said temporary spacing unit but not closer than 990 feet to the boundaries thereof.

BOARD ORDER NO. 312-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CREATE A TEMPORARY SPACING
UNIT COMPRISED OF THE S½SW¼ OF
SECTION 16, THE S½SE¼ OF SECTION 17,
THE N½NE¼ OF SECTION 20 AND THE
N½NW¼ OF SECTION 21, T32N-R17E, HILL
COUNTY, MONTANA, TO DRILL A GAS
WELL ANYWHERE WITHIN SAID
TEMPORARY SPACING UNIT BUT NOT
CLOSER THAN 600 FEET TO THE
BOUNDARIES THEREOF AS AN
EXCEPTION TO BOARD ORDER 10-70.
[TIGER RIDGE FIELD]

ORDER NO. 313-2006

Docket No. 361-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Prior to hearing, applicant agreed with staff's recommendation and modified its application to include a 660-foot setback from spacing unit boundaries instead of the 600-foot setback originally requested.
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 S½SW¼ of Section 16, the S½SE¼ of Section 17, the N½NE¼ of Section 20 and the N½NW¼ of Section 21, T32N-R17E, Hill County, Montana, are designated a temporary spacing unit and applicant is authorized to drill a gas well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

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. 313-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 CREATE A PERMANENT SPACING
UNIT COMPRISED OF THE NE¼ OF
SECTION 28, T25N-R18E, BLAINE COUNTY,
MONTANA, FOR PRODUCTION OF EAGLE
SAND FORMATION GAS THROUGH THE
WELLBORE OF THE US DIR #28-01-25-18
WELL AND TO AUTHORIZE SAID WELL
TO BE PRODUCED AT A LOCATION
685' FNL AND 525' FEL OF SAID
SECTION 28.

ORDER NO. 314-2006

Docket No. 363-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 NE¼ of Section 28, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the US DIR #28-01-25-18 well located 685' FNL and 525' FEL of said Section 28.

BOARD ORDER NO. 314-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 AN EAGLE SAND FORMATION
GAS WELL AT AN APPROXIMATE LOCATION
945' FSL AND 2110' FEL OF SECTION 17,
T31N-R19E, BLAINE COUNTY, MONTANA,
WITH A 150-FOOT TOPOGRAPHIC
TOLERANCE IN ANY DIRECTION AS AN
EXCEPTION TO BOARD ORDERS 23-54 AND
44-75 (BOWES GAS FIELD).

ORDER NO. 315-2006

Docket No. 364-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 Devon Energy Production Company, L.P. is granted as applied for.

BOARD ORDER NO. 315-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 AN ADDITIONAL EAGLE
SAND FORMATION GAS WELL ANYWHERE
WITHIN THE SE¼ OF SECTION 17,
T31N-R19E, BLAINE COUNTY, MONTANA,
BUT NOT CLOSER THAN 300 FEET TO THE
INTERNAL QUARTER SECTION LINES IN
SAID SECTION 17, AS AN EXCEPTION TO
BOARD ORDERS 23-54 AND 44-75
(BOWES GAS FIELD).

ORDER NO. 316-2006

Docket No. 365-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Prior to hearing, applicant agreed with staff's recommendation and modified its application to include the specific location of the proposed well.
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 Devon Energy Production Company, L.P. is authorized to drill an additional Eagle Formation gas well in the SE¼ of Section 17, T31N-R19E, Blaine County, Montana, at a location 2224' FSL and 1444' FEL of said Section 17, with a 50-foot topographic tolerance.

BOARD ORDER NO. 316-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 TWO ADDITIONAL EAGLE
SAND FORMATION GAS WELLS
ANYWHERE WITHIN THE PERMANENT
SPACING UNIT COMPRISED OF SECTION 20,
T32N-R17E, HILL COUNTY, MONTANA, BUT
NOT CLOSER THAN 600 FEET TO THE
BOUNDARIES THEREOF, WITH A 75-FOOT
TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO BOARD ORDER 10-70
(TIGER RIDGE FIELD).

ORDER NO. 317-2006

Docket No. 366-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Prior to hearing, applicant agreed with staff's recommendation and modified its application to include a specific location for one proposed well and a 660-foot setback from spacing unit boundaries for the other proposed well.
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 Devon Energy Production Company, L.P. is authorized to drill two additional Eagle Formation gas wells in the permanent spacing unit comprised of Section 20, T32N-R17E, Hill County, Montana.

IT IS FURTHER ORDERED that one of the aforementioned additional wells shall be located 651' FSL and 985' FWL of Section 20, T32N-R17E, Hill County, Montana, and the other additional well shall be located anywhere within said Section 20 but not closer than 660' to the boundaries thereof.

BOARD ORDER NO. 317-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
MONTANA LAND & EXPLORATION, INC.
TO DRILL ITS ML&E SE BATTLE 15-3
REGIONAL EAGLE FORMATION GAS
TEST WELL IN THE SW¼SE¼ OF SECTION
3, T34N-R20E, BLAINE COUNTY,
MONTANA, AT A LOCATION 695' FSL
AND 1907' FEL OF SAID SECTION 3, AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 318-2006

Docket No. 371-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 Montana Land & Exploration, Inc. is granted as applied for.

BOARD ORDER NO. 318-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
MONTANA LAND & EXPLORATION,
INC. TO CREATE A PERMANENT
SPACING UNIT COMPRISED OF ALL
OF SECTION 33, T34N-R22E, BLAINE
COUNTY, MONTANA, FOR ITS ML&E
NE CHERRY PATCH 6-33 POP-UP
EAGLE FORMATION NATURAL GAS
WELL, AND TO AUTHORIZE THE
DRILLING OF AN ADDITIONAL POP-UP
EAGLE FORMATION NATURAL GAS
WELL (THE ML&E NE CHERRY
PATCH 7-33) AT A LOCATION 1708' FEL
AND 1980' FNL OF SAID SECTION 33.

ORDER NO. 319-2006

Docket No. 372-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. Mr. King recused himself and took no further 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 all of Section 33, T34N-R22E, Blaine County, Montana, is designated a permanent spacing unit for applicant's ML&E NE Cherry Patch 6-33 pop-up Eagle Formation natural gas well.

IT IS FURTHER ORDERED that applicant is authorized to drill an additional Eagle Formation natural gas well (the ML&E NE Cherry Patch 7-33) at a location 1708' FEL and 1980' FNL of said Section 33.

BOARD ORDER NO. 319-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
MONTANA LAND & EXPLORATION, INC.
TO DRILL A REGIONAL EAGLE
FORMATION NATURAL GAS WELL IN A
TEMPORARY SPACING UNIT FOR THE
REGIONAL EAGLE COMPRISED OF ALL
OF SECTION 22, T33N-R21E, BLAINE
COUNTY, MONTANA, AT A LOCATION
APPROXIMATELY 1073' FSL AND
1627' FWL OF SAID SECTION 22.

ORDER NO. 320-2006

Docket No. 373-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 modified its application to include the exact location of the proposed well.
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 Montana Land & Exploration, Inc. is authorized to drill an Eagle Formation natural gas well in the temporary spacing unit comprised of all of Section 22, T33N-R21E, Blaine County, Montana, at a location 1176' FSL and 1541' FWL of said Section 22.

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. 320-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
MCR, LLC TO CONVERT THE SASU
#44X-26 WELL (API # 25-101-23994),
WHICH IS CURRENTLY PRODUCING
FROM THE SUNBURST "A"
FORMATION IN THE FRED &
GEORGE CREEK FIELD AND IS
LOCATED 705' FSL AND 980' FEL OF
SECTION 26, T37N-R2E, TOOLE
COUNTY, MONTANA, TO A WATER
INJECTION WELL TO INJECT
PRODUCED AND RECYCLED WATER
INTO THE SUNBURST "A" SAND
WITHIN THE FRED & GEORGE CREEK
SUNBURST "A" SAND UNIT.

ORDER NO. 321-2006

Docket No. 374-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 MCR, LLC is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 321-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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 DRILL AN OIL
WELL IN THE SE¹/₄SE¹/₄SE¹/₄ OF
SECTION 26, T37N-R2E, TOOLE
COUNTY, MONTANA, TO TEST THE
SUNBURST SAND FORMATION AT
A LOCATION 569' FSL AND 106' FEL
OF SAID SECTION 26 AS AN
EXCEPTION TO A.R.M. 36.22.702 AND
BOARD ORDERS 29-63 [FRED AND
GEORGE CREEK OIL FIELD] AND
13-70 [FRED AND GEORGE CREEK
SUNBURST "A" SAND UNIT].

ORDER NO. 322-2006

Docket No. 375-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. Mr. Smith recused himself and took no further 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 Wave, USA, Inc. is authorized to drill an oil well in the SE¹/₄SE¹/₄SE¹/₄ of Section 26, T37N-R2E, Toole County, Montana, to test the Sunburst Sand Formation at a location 569' FSL and 106' FEL of said Section 26 as an exception to A.R.M. 36.22.702 and Board Orders 29-63 [Fred and George Creek Oil Field] and 13-70 [Fred and George Creek Sunburst "A" Sand Unit].

BOARD ORDER NO. 322-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, 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 TO
VACATE BOARD ORDER 31-61, WHICH
APPROVED A WATERFLOOD PROJECT
IN THE SOUTH EAST CUT BANK SAND
UNIT (SECBSU) OF THE CUT BANK
FIELD IN GLACIER COUNTY, MONTANA.
THE SECBSU WAS A FEDERAL UNIT
TERMINATED BY THE BUREAU OF LAND
MANAGEMENT EFFECTIVE
OCTOBER 25, 1993.

ORDER NO. 323-2006

Docket No. 376-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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 request 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 31-61, which approved the Texaco Southeast Cut Bank Sand Unit Waterflood Project, is hereby vacated.

BOARD ORDER NO. 323-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
FLYING J OIL & GAS INC. TO DRILL
A DUAL LATERAL HORIZONTAL
NISKU FORMATION OIL TEST WELL
IN A 960-ACRE TEMPORARY
SPACING UNIT COMPRISED OF ALL
OF SECTION 13 AND THE N½ OF
SECTION 24, T36N-R52E, SHERIDAN
COUNTY, MONTANA, AND TO
AUTHORIZE SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
TEMPORARY SPACING UNIT BUT
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF AS AN
EXCEPTION TO BOARD ORDER
19A-1959 AND A.R.M. 36.22.703.
(OUTLOOK FIELD)

ORDER NO. 324-2006

Docket No. 312-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Mineral owner William Ruegsegger appeared at the hearing to read a protest letter into the record from his father Neal Ruegsegger who is also a mineral owner.
3. Attorney Loren J. O'Toole, II appeared at the hearing to protest the application on behalf of several clients including Frank Cahoon, a working interest owner in proposed Tract II.
4. 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 Flying J Oil and Gas, Inc. is authorized to drill a dual lateral horizontal Nisku Formation oil test well in a temporary spacing unit comprised of the W½ of Section 13, the S½SE¼ of Section 13, and the N½ of Section 24, T36N-R52E, Sheridan County, Montana, said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 324-2006

IT IS FURTHER ORDERED that Board Order 19-59A is amended to exclude the Nisku Formation in the SE¹/₄ of Section 13 and the NE¹/₄ of Section 24, T36N-R52E, Sheridan County, Montana.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

I dissent. Applicant's proposed spacing unit appeared to protect correlative rights.

Jack King, Board Member

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

UPON THE APPLICATION OF PINNACLE
GAS RESOURCES, INC. TO DESIGNATE THE
FOLLOWING DESCRIBED LANDS AS A FIELD FOR
PRODUCTION OF COAL BED NATURAL GAS FROM
ALL COAL BED ZONES FROM THE SURFACE TO THE BASE
OF THE FORT UNION FORMATION, TO ESTABLISH 80-ACRE
SPACING UNITS WITH 220-FOOT SETBACKS, AND TO AUTHORIZE
COMMINGLING IN THE WELLBORE OF GAS PRODUCED FROM
DIFFERENT COAL BEDS. [FOURMILE WEST FIELD]

ORDER NO. 325-2006

T7S-R40E

SECTION 4: ALL
SECTION 5: ALL
SECTION 6: ALL
SECTION 7: ALL
SECTION 8: ALL
SECTION 9: N $\frac{1}{2}$, SW $\frac{1}{4}$
SECTION 15: W $\frac{1}{2}$ SW $\frac{1}{4}$
SECTION 16: ALL
SECTION 17: ALL
SECTION 18: ALL
SECTION 19: ALL
SECTION 20: ALL
SECTION 21: W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
SECTION 28: ALL
SECTION 29: ALL
SECTION 30: ALL
SECTION 31: ALL
SECTION 32: ALL
SECTION 33: ALL

APPLICANT NOTES THAT THE ABOVE-DESCRIBED LANDS
ARE SUBJECT TO BOARD ORDER 99-99 AND THE RECORD OF
DECISION DATED MARCH 26, 2003. APPLICANT REQUESTS
APPROVAL OF 80-ACRE SPACING UNITS WITH 220-FOOT
SETBACKS FOR THE ABOVE-DESCRIBED LANDS, WITH ONE
WELL PER COAL BED PER SPACING UNIT, AND AUTHORITY TO
COMMINGLE GAS FROM DIFFERENT COAL BEDS IN THE WELLBORE.

Docket No. 321-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Attorney Loren J. O'Toole, Jr. appeared to protest the proposed discharge of water without beneficial use on behalf of his client Diamond Cross, LLC.

3. Mineral and surface owner Walter Taylor appeared to protest because he had not been offered a water management plan by applicant.

4. 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 Pinnacle Gas Resources, Inc. 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.

IT IS FURTHER ORDERED that said area be designated the Fourmile West Field.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
PINNACLE GAS RESOURCES, INC. FOR
AN ORDER APPROVING ITS FOURMILE
WEST PROJECT PLAN OF DEVELOPMENT FOR COAL
BED NATURAL GAS EXPLORATION AND DEVELOPMENT
UPON THE FOLLOWING DESCRIBED LANDS IN BIG HORN
COUNTY, MONTANA:

ORDER NO. 326-2006

T7S-R40E

SECTION 4: ALL
SECTION 5: ALL
SECTION 6: ALL
SECTION 7: ALL
SECTION 8: ALL
SECTION 9: N½, SW¼
SECTION 15: W½SW¼
SECTION 16: ALL
SECTION 17: ALL
SECTION 18: ALL
SECTION 19: ALL
SECTION 20: ALL
SECTION 21: W½, W½SE¼
SECTION 28: ALL
SECTION 29: ALL
SECTION 30: ALL
SECTION 31: ALL
SECTION 32: ALL
SECTION 33: ALL

APPLICANT STATES THE ABOVE-DESCRIBED LANDS
ARE SUBJECT TO BOARD ORDER 99-99 AND THE
RECORD OF DECISION DATED MARCH 26, 2003. APPLICANT
PROPOSES TO DRILL AND DEVELOP THE ABOVE-DESCRIBED
LANDS FOR COAL BED NATURAL GAS WITH WELL DENSITIES
GREATER THAN ONE WELL PER 640 ACRES.

Docket No. 322-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 7th day of September, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Attorney Loren J. O'Toole, Jr. appeared to protest the proposed discharge of water without beneficial use on behalf of his client Diamond Cross, LLC.

3. Mineral and surface owners Walter Taylor appeared to protest because he had not been offered a water management plan by applicant.

4. 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 Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that said approval is contingent upon: a) completion of an environmental assessment; and b) the offering of a water management plan to Mr. Walter Taylor.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, Montana, this 7th day of September, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, 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
NERDLIHC COMPANY, INC. TO APPEAR
AND SHOW CAUSE, IF ANY IT HAS, WHY
ITS BOND SHOULD NOT BE FORFEITED
FOR FAILURE TO CLEAN UP THE
FUGERE TANK BATTERY SITE LOCATED
IN SECTION 30, T34N-R48E, DANIELS
COUNTY, MONTANA.

ORDER NO. 327-2006

Docket No. 377-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of July, 2006 in the Olympic room at the Duck Inn in Havre, 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 Joan Stahl was absent. 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. Attorney Ken Hoversland appeared on behalf of Fern Fugere to request Nerdlihc Company, Inc.'s (Nerdlihc) bond be forfeited and that the Board do the clean-up instead of Nerdlihc.
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 Nerdlihc Company, Inc. is given until the end of the day on Thursday, September 21, 2006 to satisfactorily clean-up the Fugere tank battery site located in Section 30, T34N-R48E, Daniels County, Montana.

IT IS FURTHER ORDERED that if the Fugere tank battery site clean-up is not satisfactorily completed by September 21, 2006, Nerdlihc Company, Inc. is fined \$2500, and Board staff is authorized to do the clean-up and Nerdlihc will be billed for the clean-up and associated administrative costs.

IT IS FURTHER ORDERED that this matter is continued to the Board's November 2, 2006 public hearing.

BOARD ORDER NO. 327-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Havre, 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

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary