

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
TEMPORARY SPACING UNIT COMPRISED
OF SECTION 14, T24N-R57E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 403-2006

Docket No. 460-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 403-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
TEMPORARY SPACING UNIT COMPRISED OF
ALL OF SECTIONS 3 AND 10, T24N-R57E,
RICHLAND COUNTY, MONTANA, SAID WELL
TO BE LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN 660
FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 404-2006

Docket No. 461-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 404-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY TO ENLARGE CX FIELD TO
INCLUDE ALL OF SECTION 13, T9S-R40E,
BIG HORN COUNTY, MONTANA. SAID
SECTION 13 IS INCLUDED IN APPLICANT'S
DECKER MINE-EAST PROJECT PLAN OF
DEVELOPMENT APPLICATION WHICH HAS
ALSO BEEN FILED WITH THE BOARD.

ORDER NO. 405-2006

Docket No. 462-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. CX Field is delineated for the production of gas from coal beds within the Fort Union Formation by Board Orders 108-1997 and 174-2000.
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 CX Field is enlarged to include all of Section 13, T9S-R40E, Big Horn County, Montana, with said Section 13 to be included in applicant's Decker Mine-East Project Plan of Development.

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. 405-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY TO APPROVE ITS DECKER
MINE-EAST PROJECT PLAN OF
DEVELOPMENT FOR COAL BED NATURAL
GAS EXPLORATION AND DEVELOPMENT
THE FOLLOWING DESCRIBED LANDS IN
BIG HORN COUNTY, MONTANA:

ORDER NO. 406-2006

T9S-R40E

SECTION 13: ALL

SECTION 24: NE $\frac{1}{4}$

T9S-R41E

SECTION 7: LOTS 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

SECTION 8: ALL

SECTION 17: ALL

SECTION 18: LOTS 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

SECTION 19: LOTS 5, 6, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

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, ACCORDING TO RULES
ESTABLISHED FOR CX FIELD. THE LANDS
INCLUDED IN THIS APPLICATION ARE
SUBJECT TO BOARD ORDER 99-99 AND THE
RECORD OF DECISION DATED MARCH 26, 2003.
PRIOR TO HEARING, APPLICANT WILL SUBMIT
ITS DECKER MINE -EAST PROJECT PLAN OF
DEVELOPMENT FOR THE ABOVE-DESCRIBED
LANDS TO BOARD STAFF.

Docket No. 463-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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.

BOARD ORDER NO. 406-2006

2. A letter from Eugene LittleCoyote, President of the Northern Cheyenne Tribe, was read into the record by the Chairman. The Tribe also submitted a comment sheet listing concerns regarding air quality; effluent discharge; health of tribal members, wildlife and plants on the Reservation; and the need for cultural, ethnographic and historical inventories from a tribal perspective. Representatives from Fidelity Exploration & Production Company testifying on behalf of the application assured Board members they would work with the Tribe to address its concerns.

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 application of Fidelity Exploration & Production Company is granted as applied for, contingent upon completion of an environmental assessment.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
MCR, LLC TO POOL ALL INTERESTS IN THE
SPACING UNIT COMPRISED OF THE N½ OF
SECTION 8, T36N-R2E, TOOLE COUNTY,
MONTANA, FOR PRODUCTION OF NATURAL
GAS AND ASSOCIATED LIQUID
HYDROCARBONS FROM THE SAWTOOTH
AND MADISON FORMATIONS.
(WEST BUTTE FIELD)

ORDER NO. 407-2006

Docket No. 464-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Wayne 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 all interests in the spacing unit comprised of the N½ of Section 8, T36N-R2E, Toole County, Montana, are hereby pooled for production of natural gas and associated liquid hydrocarbons from the Sawtooth and Madison Formations.

BOARD ORDER NO. 407-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
MOUNTAIN VIEW ENERGY, LTD. TO CLARIFY,
OR AMEND IF NECESSARY, THE RED CREEK
FIELD RULES FOR PRODUCTION OF OIL FROM
THE NON-UNITIZED PORTIONS OF THE
SUNBURST, CUT BANK AND MADISON
FORMATIONS, TO PROVIDE THAT EACH WELL
BE LOCATED NOT LESS THEN 330 FEET FROM
ANY LEGAL SUBDIVISION LINE AND NOT LESS
THAN 650 FEET FROM EVERY OTHER
PRODUCIBLE WELL PRODUCING FROM THE
SAME RESERVOIR (EXCEPT THAT A FIVE SPOT
LOCATION ON A 40-ACRE PARCEL WILL BE
PERMITTED), AND THAT EXISTING WELLS NOT
CONFORMING TO SAID PATTERN BE
AUTHORIZED AS EXCEPTIONS.

ORDER NO. 408-2006

Docket No. 465-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Red Creek Field rules are clarified to recognize the existence of the Cut Bank and Madison Formation Unit.

IT IS FURTHER ORDERED that spacing and well location requirements for Cut Bank and Madison Formation wells within the unitized area are waived except that future wells must be located no closer than 330 feet to the exterior boundaries of said unit.

IS FURTHER ORDERED that the Sunburst Sandstone may be developed on the basis of 40-acre spacing units with a 330-foot setback from spacing unit boundaries and 650 feet between wells producing from the same formation.

BOARD ORDER NO. 408-2006

IT IS FURTHER ORDERED that a five-spot location on a 40-acre parcel is permitted.

IT IS FURTHER ORDERED that existing wells not in compliance with the requirements set forth above are authorized as exceptions to this Order.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
YELLOWSTONE PETROLEUMS, INC. TO
CONVERT THE STATE #14-16 WELL
(API # 25-073-21469) IN BRADY FIELD IN
THE E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 16,
T27N-R2W, PONDERA COUNTY, MONTANA,
TO A SALTWATER DISPOSAL WELL TO
INJECT PRODUCED WATER INTO THE
SUNBURST FORMATION FROM
APPLICANT'S STATE BATTERY WELLS.

ORDER NO. 409-2006

Docket No. 466-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Yellowstone Petroleum, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 409-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CROFT PETROLEUM CO. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF LOTS 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ (E $\frac{1}{2}$) OF
SECTION 2, T36N-R6W, GLACIER COUNTY,
MONTANA, WHICH LIES WITHIN THE
CUT BANK FIELD, FOR THE PRODUCTION
OF NATURAL GAS FROM ALL
FORMATIONS FROM THE SURFACE OF
THE EARTH TO THE BASE OF THE
MISSISSIPPIAN-MADISON FORMATION,
AND TO DRILL A WELL ON SAID LOT 2
AT AN APPROXIMATE LOCATION 647' FNL
AND 1650' FEL OF SAID SECTION 2 TO TEST
THE SUNBURST FORMATION.

ORDER NO. 410-2006

Docket No. 467-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. A letter of support from Branch Oil & Gas was read into the record by the Chairman.
3. At the hearing, applicant stated the actual well location is 675' FNL and 1650' FEL of Section 2, T36N-R6W, Glacier County, Montana.
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 Lots 1 & 2, the S $\frac{1}{2}$ NE $\frac{1}{4}$, and the SE $\frac{1}{4}$ (E $\frac{1}{2}$) of Section 2, T36N-R6W, Glacier County, Montana, is designated a permanent spacing unit for production of natural gas from all formations from the surface of the earth to the base of the Madison Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill a gas test well at a location 675' FNL and 1650' FEL of said Section 2, with a 75-foot topographic tolerance.

BOARD ORDER NO. 410-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
MARATHON OIL COMPANY TO CREATE
A TEMPORARY SPACING UNIT
COMPRISED OF ALL OF SECTIONS 16
AND 21, T25N-R59E, RICHLAND
COUNTY, MONTANA, AND TO
AUTHORIZE THE DRILLING OF A
HORIZONTAL BAKKEN FORMATION
WELL THEREON AT ANY LOCATION
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES OF SAID TEMPORARY
SPACING UNIT.

ORDER NO. 411-2006

Docket No. 470-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Marathon Oil Company is granted as applied for.

IT IS FURTHER ORDERED that an application for permanent spacing be made within 90 days of successful completion of the well drilled in said temporary spacing unit.

BOARD ORDER NO. 411-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
MARATHON OIL COMPANY TO CREATE
A TEMPORARY SPACING UNIT
COMPRISED OF ALL OF SECTIONS 20
AND 29, T26N-R59E, RICHLAND COUNTY,
MONTANA, TO DRILL A HORIZONTAL
BAKKEN FORMATION WELL ANYWHERE
WITHIN SAID TEMPORARY SPACING
UNIT BUT NOT CLOSER THAN 660 FEET
TO THE BOUNDARIES THEREOF.

ORDER NO. 412-2006

Docket No. 471-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Marathon Oil Company is granted as applied for.

IT IS FURTHER ORDERED that an application for permanent spacing be made within 90 days of successful completion of the well drilled in said temporary spacing unit.

BOARD ORDER NO. 412-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO POOL ALL INTERESTS IN THE SPACING
UNIT COMPRISED OF ALL OF SECTIONS 21
AND 28, T23N-R57E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES
IN ACCORDANCE WITH SECTION 82-11-202
(2), M.C.A. WITH RESPECT TO THE
CUNDIFF #21X-28 WELL.

ORDER NO. 413-2006

Docket No. 472-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 interests in the permanent spacing unit comprised of all of Sections 21 and 28, T23N-R57E, Richland County, Montana, are hereby pooled on the basis of surface acreage for the production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that the recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. with respect to the Cundiff #21X-28 well are hereby authorized.

BOARD ORDER NO. 413-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
NOBLE ENERGY, INC. TO DESIGNATE
SECTION 7, T37N-R31E, EAST LORING
FIELD, PHILLIPS COUNTY, MONTANA,
AS A PERMANENT SPACING UNIT FOR
PRODUCTION OF LOWER COLORADO
GROUP NATURAL GAS, AND TO
APPROVE THE DRILLING AND
PRODUCTION OF FOUR WELLS WITHIN
AND UPON SAID SPACING UNIT.

ORDER NO. 414-2006

Docket No. 473-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 7, T37N-R31E, East Loring Field, Phillips County, Montana, is designated a permanent spacing unit for the production of natural gas from the Bowdoin, Greenhorn and Phillips Formations.

IT IS FURTHER ORDERED that applicant is authorized to drill and produce four wells within said spacing unit, with said wells to be located no closer than 660 feet to the exterior boundaries thereof.

BOARD ORDER NO. 414-2006

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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
NOBLE ENERGY, INC. TO AMEND BOARD
ORDERS 60-82 AND 39-97
(EAST LORING FIELD) WITH REGARD TO
SECTION 7, T37N-R31E, PHILLIPS COUNTY,
MONTANA, TO ALLOW COMMINGLING OF
PRODUCTION FROM THE NIOBRARA,
BOWDOIN, GREENHORN AND PHILLIPS
FORMATIONS IN THE WELLS APPLICANT
OPERATES IN SAID SECTION 7.

ORDER NO. 415-2006

Docket No. 474-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Board Orders 60-82 and 39-97 (East Loring Field) are amended with regard to Section 7, T37N-R31E, Phillips County, Montana, to include the Niobrara Formation in the spacing unit comprised of all of said Section 7 and to allow commingling of production from the Niobrara, Bowdoin, Greenhorn and Phillips Formations.

BOARD ORDER NO. 415-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
NOBLE ENERGY, INC. TO AMEND BOARD
ORDERS 60-82 AND 39-97
(EAST LORING FIELD) WITH REGARD TO
SECTION 8, T37N-R31E, PHILLIPS COUNTY,
MONTANA, TO ALLOW COMMINGLING
OF PRODUCTION FROM THE NIOBRARA,
BOWDOIN, GREENHORN AND PHILLIPS
FORMATIONS IN THE WELLS APPLICANT
OPERATES IN SAID SECTION 8.

ORDER NO. 416-2006

Docket No. 475-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Board Orders 60-82 and 39-97 (East Loring Field) are amended with regard to Section 8, T37N-R31E, Phillips County, Montana, to include the Niobrara Formation in the spacing unit comprised of all of said Section 8 and to allow commingling of production from the Niobrara, Bowdoin, Greenhorn and Phillips Formations.

BOARD ORDER NO. 416-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STONE ENERGY CORPORATION TO
CREATE A TEMPORARY SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 35 AND 36, T23N-R58E,
RICHLAND COUNTY, MONTANA,
TO DRILL A HORIZONTAL
BAKKEN FORMATION WELL
ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER
THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 417-2006

Docket No. 476-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Stone Energy Corporation is granted as applied for.

IT IS FURTHER ORDERED that an application for permanent spacing be made within 90 days of successful completion of the well drilled under this Order.

BOARD ORDER NO. 417-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE
A PERMANENT SPACING UNIT
COMPRISED OF THE E½ OF SECTION 14
AND THE W½ OF SECTION 13, T34N-R16E,
HILL COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE
FORMATION THROUGH THE WELLBORE
OF THE CUNNINGHAM #14-9-34-16B WELL.

ORDER NO. 418-2006

Docket No. 477-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 E½ of Section 14 and the W½ of Section 13, T34N-R16E, Hill County, Montana, are designated a permanent spacing unit for production from the Eagle Formation through the wellbore of the Cunningham #14-9-34-16B well.

BOARD ORDER NO. 418-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE NE¹/₄ OF SECTION 11 AND THE NW¹/₄
OF SECTION 12, T34N-R16E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF GAS FROM
THE EAGLE FORMATION THROUGH THE
WELLBORE OF THE THIEL #11-8-34-16D WELL.

ORDER NO. 419-2006

Docket No. 478-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 NE¹/₄ of Section 11 and the NW¹/₄ of Section 12, T34N-R16E, Hill County, Montana, are designated a permanent spacing unit for production from the Eagle Formation through the wellbore of the Thiel #11-8-34-16D well.

BOARD ORDER NO. 419-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE SE $\frac{1}{4}$ OF SECTION 20, THE SW $\frac{1}{4}$ OF
SECTION 21, THE NW $\frac{1}{4}$ OF SECTION 28, AND
THE NE $\frac{1}{4}$ OF SECTION 29, T36N-R15E, HILL
COUNTY, MONTANA, FOR PRODUCTION OF
GAS FROM THE EAGLE FORMATION
THROUGH THE WELLBORE OF THE
BUD-FEDERAL #21-13-36-15C WELL.

ORDER NO. 420-2006

Docket No. 479-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 SE $\frac{1}{4}$ of Section 20, the SW $\frac{1}{4}$ of Section 21, the NW $\frac{1}{4}$ of Section 28, and the NE $\frac{1}{4}$ of Section 29, T36N-R15E, Hill County, Montana, are designated a permanent spacing unit for production from the Eagle Formation through the wellbore of the Bud-Federal #21-13-36-15C well.

IT IS FURTHER ORDERED that Board Order 393-2005 is hereby vacated.

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. 420-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE
A PERMANENT SPACING UNIT
COMPRISED OF THE S½ OF SECTION 2
AND THE N½ OF SECTION 11, T36N-R14E,
HILL COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE
NIOBRARA FORMATION THROUGH THE
WELLBORE OF THE VERPLOEGEN
#11-2-36-14B WELL.

ORDER NO. 421-2006

Docket No. 480-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 S½ of Section 2 and the N½ of Section 11, T36N-R14E, Hill County, Montana, are designated a permanent spacing unit for production from the Niobrara Formation through the wellbore of the Verploegen #11-2-36-14B well.

BOARD ORDER NO. 421-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE S½ OF SECTION 10, T34N-R16E,
HILL COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE
AND NIOBRARA FORMATIONS
(NON-COMMINGLED) THROUGH THE
WELLBORE OF THE THIEL #10-14-34-16
WELL.

ORDER NO. 422-2006

Docket No. 481-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 S½ of Section 10, T34N-R16E, Hill County, Montana, is designated a permanent spacing unit for production from the Eagle and Niobrara Formation (non-commingled) through the wellbore of the Thiel #10-14-34-16 well.

BOARD ORDER NO. 422-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE
A PERMANENT SPACING UNIT
COMPRISED OF THE S½ OF SECTION 11
AND THE N½ OF SECTION 14, HILL
COUNTY, MONTANA, FOR PRODUCTION
OF GAS FROM THE EAGLE FORMATION
THROUGH THE WELLBORE OF THE
DUSEK-FEDERAL #14-3-36-15C WELL.

ORDER NO. 423-2006

Docket No. 482-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 S½ of Section 11 and the N½ of Section 14, T36N-R15E, Hill County, Montana, is designated a permanent spacing unit for production of gas from the Eagle Formation through the wellbore of the Dusek-Federal #14-3-36-15C well.

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

BOARD ORDER NO. 423-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO CREATE A
PERMANENT SPACING UNIT COMPRISED
OF THE E½ OF SECTION 10 AND THE W½
OF SECTION 11, T34N-R16E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF GAS
FROM THE EAGLE FORMATION THROUGH
THE WELLBORE OF THE THIEL #10-9-34-16B
WELL.

ORDER NO. 424-2006

Docket No. 483-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 E½ of Section 10 and the W½ of Section 11, T34N-R16E, Hill County, Montana, is designated a permanent spacing unit for production of gas from the Eagle Formation through the wellbore of the Thiel #10-9-34-16B well.

BOARD ORDER NO. 424-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO DRILL AN
ADDITIONAL EAGLE FORMATION GAS
WELL IN THE PERMANENT SPACING UNIT
COMPRISED OF THE E½ OF SECTION 10
AND THE W½ OF SECTION 11, T34N-R16E,
HILL COUNTY, MONTANA, AT A LOCATION
2460' FNL AND 220' FWL OF SAID SECTION
11, WITH A 200-FOOT TOPOGRAPHIC
TOLERANCE. APPLICANT FURTHER
REQUESTS THAT BOARD ORDER 248-2005,
WHICH CREATED A TEMPORARY SPACING
UNIT ON THOSE SAME LANDS, BE VACATED.

ORDER NO. 425-2006

Docket No. 484-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 was authorized to drill a well at a location 2460' FNL and 220' FWL of Section 10 under Board Order 248-2005, which established a temporary spacing unit comprised of the E½ of Section 10 and the W½ of Section 11, T34N-R16E, Hill County, Montana. Following the issuance of that order, applicant drilled and completed an Eagle Formation gas well, the Thiel 10-9-34-16B well, and the same lands were designated a permanent spacing unit for the production of gas from the Eagle Formation by Board Order 424-2006.
3. Applicant is requesting that Board Order 248-2005 be vacated and that the Thiel 11-5-34-16C well be considered an additional well in the permanent spacing unit established under Board Order 424-2006.
4. 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 Klabzuba Oil & Gas, Inc. is authorized to drill an increased density well in the permanent spacing unit comprised of the E½ of Section 10 and the W½ of Section 11, T34N-R16E, Hill County, Montana, at a location 2460' FNL and 220' FWL of said Section 11, with a 200-foot topographic tolerance.

BOARD ORDER NO. 425-2006

IT IS FURTHER ORDERED that Board Order 248-2005 is hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
NANCE PETROLEUM CORPORATION TO
POOL ALL INTERESTS, ON THE BASIS
OF SURFACE ACREAGE, IN THE S½ OF
SECTION 8, T23N-R58E, RICHLAND
COUNTY, MONTANA, FOR BAKKEN
FORMATION PRODUCTION FROM THE
SUNWALL 12-8H WELL.

ORDER NO. 426-2006

Docket No. 485-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Nance Petroleum Corporation is granted as applied for.

BOARD ORDER NO. 426-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CONTINENTAL RESOURCES, INC. TO
CREATE A PERMANENT SPACING UNIT
FOR THE BAKKEN FORMATION COMPRISED
OF ALL OF SECTION 2, T25N-R54E,
RICHLAND COUNTY, MONTANA, AND
TO DESIGNATE APPLICANT'S JEAN PIERRE 1-2H
WELL AS THE AUTHORIZED WELL FOR SAID
PERMANENT SPACING UNIT.

ORDER NO. 427-2006

Docket No. 487-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 2, T25N-R54E, Richland County, Montana, is designated a permanent spacing unit for the production of oil and associated gas from the Bakken Formation and that applicant's Jean Pierre 1-2H well is the authorized well for said spacing unit.

BOARD ORDER NO. 427-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CONTINENTAL RESOURCES, INC. TO
CREATE A PERMANENT SPACING UNIT
FOR THE BAKKEN FORMATION COMPRISED
OF ALL OF SECTIONS 15 AND 22, T26N-R54E,
RICHLAND COUNTY, MONTANA, AND TO
DESIGNATE APPLICANT'S NOLA 1-22H WELL
AS THE AUTHORIZED WELL FOR SAID
PERMANENT SPACING UNIT.

ORDER NO. 428-2006

Docket No. 489-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Sections 15 and 22, T26N-R54E, Richland County, Montana, is designated as permanent spacing unit for production of oil and associated gas from the the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Nola #1-22H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 428-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CONTINENTAL RESOURCES, INC. TO
DRILL AN ADDITIONAL BAKKEN
FORMATION DUAL LATERAL
HORIZONTAL WELL IN THE SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 15 AND 22, T24N-R54E,
RICHLAND COUNTY, MONTANA,
WITH SUCH LATERALS TO BE
LOCATED NO CLOSER THAN 660 FEET
TO THE EXTERIOR BOUNDARIES OF
SAID SPACING UNIT AS AN
AMENDMENT TO BOARD ORDERS
123-2003 AND 77-2004.

ORDER NO. 429-2006

Docket No. 490-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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.

BOARD ORDER NO. 429-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CONTINENTAL RESOURCES, INC. TO DRILL
AN ADDITIONAL BAKKEN FORMATION
DUAL LATERAL HORIZONTAL WELL IN
THE SPACING UNIT COMPRISED OF ALL OF
SECTIONS 15 AND 22, T26N-R54E, RICHLAND
COUNTY, MONTANA, WITH SUCH
LATERALS TO BE LOCATED NO CLOSER
THAN 660 FEET TO THE EXTERIOR
BOUNDARIES OF SAID SPACING UNIT.

ORDER NO. 430-2006

Docket No. 491-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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.

BOARD ORDER NO. 430-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. TO
CONVERT THE PORTER 06SA-25-0841
WELL (API # 25-003-22156) LOCATED
IN THE SENW OF SECTION 25, T8S-R41E,
DIETZ FIELD, BIG HORN COUNTY,
MONTANA, TO A CLASS II INJECTION
WELL TO DISPOSE OF PRODUCED COAL
BED NATURAL GAS WATER INTO THE
ANDERSON COAL (ALSO REFERRED TO
AS THE DIETZ 1) AT APPROXIMATELY
430 TO 447 FEET BELOW SURFACE LEVEL.

ORDER NO. 431-2006

Docket No. 493-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. This application was removed from the Default Docket at the request of Board Member Don Bradshaw who wanted to hear testimony regarding injection of coal bed natural gas water.
3. Mr. Dan Arthur, a representative of the applicant, said Pinnacle Gas Resources, Inc. will report back to the Board after injection begins
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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 431-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. TO
CONVERT THE LOTT 09-SA-27-0841 WELL
(API # 25-003-22174) LOCATED IN THE
NESE OF SECTION 27, T8S-R41E, DIETZ
FIELD, BIG HORN COUNTY, MONTANA,
TO A CLASS II INJECTION WELL TO
DISPOSE OF PRODUCED COAL BED
NATURAL GAS WATER INTO THE
ANDERSON COAL (ALSO REFERRED TO
AS THE DIETZ 1) APPROXIMATELY 385
TO 397 FEET BELOW SURFACE LEVEL.

ORDER NO. 432-2006

Docket No. 494-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. This application was removed from the Default Docket at the request of Board Member Don Bradshaw who wanted to hear testimony regarding injection of coal bed natural gas water.
3. Mr. Dan Arthur, a representative of the applicant, said Pinnacle Gas Resources, Inc. will report back to the Board after injection begins
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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 432-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. TO
CONVERT THE PORTER 01-SA-26-0841
WELL (API # 25-003-22165) LOCATED
IN THE NENE OF SECTION 26,
T8S-R41E, DIETZ FIELD, BIG HORN
COUNTY, MONTANA, TO A CLASS II
INJECTION WELL TO DISPOSE OF
PRODUCED COAL BED NATURAL GAS
WATER INTO THE ANDERSON COAL
(ALSO REFERRED TO AS THE DIETZ 1)
APPROXIMATELY 392 TO 405 FEET
BELOW SURFACE LEVEL.

ORDER NO. 433-2006

Docket No. 495-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. This application was removed from the Default Docket at the request of Board Member Don Bradshaw who wanted to hear testimony regarding injection of coal bed natural gas water.
3. Mr. Dan Arthur, a representative of the applicant, said Pinnacle Gas Resources, Inc. will report back to the Board after injection begins
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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 433-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO DRILL AN EAGLE FORMATION GAS WELL
IN SECTION 32, T32N-R17E, HILL COUNTY,
MONTANA, SAID WELL TO BE LOCATED
ANYWHERE WITHIN SAID SECTION 32 BUT
NOT CLOSER THAN 700 FEET FSL OF SAID
SECTION 32 AND 990 FEET FROM THE
REMAINING BOUNDARIES, AS AN EXCEPTION
TO BOARD ORDER 10-70. (TIGER RIDGE FIELD)

ORDER NO. 434-2006

Docket No. 496-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 434-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO DRILL AN ADDITIONAL EAGLE
FORMATION GAS WELL IN SECTION 3,
T31N-R18E, BLAINE COUNTY, MONTANA,
SAID WELL TO BE LOCATED ANYWHERE
WITHIN SAID SECTION 3 BUT NOT CLOSER
THAN 600 FEET TO THE BOUNDARIES
THEREOF, AS AN EXCEPTION TO BOARD
ORDERS 13-75 AND 24-89.
(TIGER RIDGE FIELD)

ORDER NO. 435-2006

Docket No. 497-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 435-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR AN EXCEPTION TO A.R.M. 36.22.702 TO
DRILL UP TO FOUR ADDITIONAL EAGLE
FORMATION GAS WELLS IN SECTION 16,
T27N-R17E, CHOUTEAU COUNTY, MONTANA,
ANYWHERE WITHIN SAID SECTION 16 BUT
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF; AND TO DRILL AN
ADDITIONAL EAGLE SAND FORMATION GAS
WELL ANYWHERE WITHIN SAID SECTION 16
BUT NOT CLOSER THAN 500 FEET FSL AND
660 FEET FROM THE REMAINING BOUNDARIES
THEREOF.

ORDER NO. 436-2006

Docket No. 498-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 436-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P
TO DRILL AN ADDITIONAL EAGLE
FORMATION GAS WELL ANYWHERE WITHIN
THE N½ OF SECTION 27, T27N-R17E, BLAINE
COUNTY, MONTANA, BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF AS
AN EXCEPTION TO BOARD ORDERS 26-74 AND
137-2003 (BULLWACKER FIELD).

ORDER NO. 437-2006

Docket No. 499-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 437-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P
TO DRILL AN ADDITIONAL EAGLE FORMATION
GAS WELL (THE HENDERSON #27-10-27-17)
ANYWHERE WITHIN THE S½ OF SECTION 27,
T27N-R17E, BLAINE COUNTY, MONTANA, BUT
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF AS AN EXCEPTION TO
BOARD ORDERS 26-74 AND 160-2003.
(BULLWACKER FIELD)

ORDER NO. 438-2006

Dockets No. 500, 501, 502 and 503-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 S½ of Section 27, T27N-R17E, Blaine County, Montana, is a spacing unit within Bullwacker Field as established by Board Order 26-1974. Board Order 160-2003 authorized the drilling of one additional Eagle Formation gas well in the spacing unit. Applicant has requested authority to drill additional wells in the spacing unit in Dockets 500 through 503-2006.
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 Board Orders 26-1974 and 160-2003 are amended to allow up to six (6) Eagle Formation gas wells in the permanent spacing unit consisting of the S½ of Section 27, T27N-R17E, Blaine County, Montana.

IT IS FURTHER ORDERED that said wells be located as follows:

1. The existing gas well located 1379' FSL and 578' FWL of said Section 27.
2. One additional well authorized by Board Order 160-2003 to be located anywhere in the spacing unit but no closer than 630 feet to the exterior boundaries thereof.
3. Three additional wells (Dockets 500, 502 and 503-2006) to be located no closer than 660 feet to the spacing unit boundaries.
4. One well (Docket 501-2006) to be located no closer than 500 feet to the spacing unit boundaries.

BOARD ORDER NO. 438-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½S½ OF SECTION 6 AND
THE N½N½ OF SECTION 7, T27N-R19E, BLAINE
COUNTY, MONTANA, TO DRILL A GAS WELL
(THE US DIR #7-1-27-19) WITH A BOTTOMHOLE
LOCATION NOT CLOSER THAN 660 FEET TO
THE BOUNDARIES OF SAID TEMPORARY
SPACING UNIT AS AN EXCEPTION TO BOARD
ORDERS 45-76 AND 65-85. (SAWTOOTH
MOUNTAIN FIELD)

ORDER NO. 439-2006

Docket No. 504-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Devon Energy Production Company, L.P. 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. 439-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE SE¼ OF SECTION 4, THE
SW¼ OF SECTION 3, THE NE¼ OF SECTION 9
AND THE NW¼ OF SECTION 10, T26N-R20E,
BLAINE COUNTY, MONTANA, TO DRILL A GAS
WELL (THE US DIR #4-9-26-20) WITH A
BOTTOMHOLE LOCATION NOT CLOSER THAN
660 FEET TO THE BOUNDARIES OF SAID
TEMPORARY SPACING UNIT AS AN EXCEPTION
TO BOARD ORDER 45-76. (SAWTOOTH MOUNTAIN
FIELD)

ORDER NO. 440-2006

Docket No. 505-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 440-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S $\frac{1}{2}$ S $\frac{1}{2}$ OF SECTION 27 AND
THE N $\frac{1}{2}$ N $\frac{1}{2}$ OF SECTION 34, T32N-R17E, HILL
COUNTY, MONTANA, TO DRILL A GAS WELL
(THE DAVEY #27-15-32-17) ANYWHERE WITHIN
SAID TEMPORARY SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE BOUNDARIES
THEREOF AS AN EXCEPTION TO BOARD
ORDER 10-70. (TIGER RIDGE FIELD)

ORDER NO. 441-2006

Docket No. 506-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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.

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. 441-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 16, T25N-R18E,
BLAINE COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE
FORMATION THROUGH THE WELLBORE OF
THE STATE #16-07-25-18 WELL.

ORDER NO. 442-2006

Docket No. 507-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 16, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of gas from the Eagle Formation through the wellbore of the State #16-07-25-18 well.

BOARD ORDER NO. 442-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF THE SW¼ OF SECTION 29 AND
THE NW¼ OF SECTION 32, T25N-R18E, BLAINE
COUNTY, MONTANA, FOR PRODUCTION OF
GAS FROM THE EAGLE FORMATION THROUGH
THE WELLBORE OF THE US #32-03-25-18 WELL.

ORDER NO. 443-2006

Docket No. 508-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 SW¼ of Section 29 and the NW¼ of Section 32, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of gas from the Eagle Formation through the wellbore of the US #32-03-25-18 well.

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

BOARD ORDER NO. 443-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO CREATE A PERMANENT SPACING UNIT
COMPRISED OF THE E $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 1,
T27N-R18E, AND THE W $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 6,
T27N-R19E, BLAINE COUNTY, MONTANA, FOR
PRODUCTION OF GAS FROM THE EAGLE
FORMATION THROUGH THE WELLBORE OF
THE US DIR #1-9-27-18 WELL.
(SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 444-2006

Docket No. 509-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 1, T27N-R18E, and the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6, T27N-R19E, Blaine County, Montana, is designated a permanent spacing unit for production of gas from the Eagle Formation through the wellbore of the US DIR #1-9-27-18 well.

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

BOARD ORDER NO. 444-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FOREST OIL CORPORATION TO DRILL AN OIL
AND GAS WELL TO THE MADISON GROUP IN
SECTION 34, T31N-R58E, SHERIDAN COUNTY,
MONTANA, SAID WELL TO BE LOCATED
785' FEL AND 2575' FSL OF SAID SECTION 34
WITH A 50-FOOT TOPOGRAPHIC TOLERANCE
IN ANY DIRECTION AS AN EXCEPTION TO
BOARD ORDER 147-2006 (NORTH ANVIL FIELD).

ORDER NO. 445-2006

Docket No. 510-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. A protest letter from mineral owner Larry Ostby was received. Mr. Ostby was concerned about the well location. Mr. Ostby's concern was addressed by applicant prior to hearing and the application remained on the Default Docket.
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 application of Forest Oil Corporation is granted as applied for.

BOARD ORDER NO. 445-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
MAIN ENERGY, INC. TO DESIGNATE A
FIELD AND CREATE A PERMANENT
SPACING UNIT COMPRISED OF THE N½
OF SECTION 26, T36N-R54E, SHERIDAN
COUNTY, MONTANA, FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL
GAS FROM THE RED RIVER FORMATION.

ORDER NO. 446-2006

Docket No. 511-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 N½ of Section 26, T36N-R54E, Sheridan County, Montana, is designated a permanent spacing for production of oil and associated natural gas from the Red River Formation.

BOARD ORDER NO. 446-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PTARMIGAN LANDS LP TO DRILL ITS
PROPOSED DOVER 8-2 GAS TEST WELL
IN SECTION 2, T1N-R25E, YELLOWSTONE
COUNTY, MONTANA, AT AN
APPROXIMATE LOCATION 494' FEL AND
1312' FNL OF SAID SECTION 2 AS AN
EXCEPTION TO A.R.M. 36.22.702.
APPLICANT FURTHER REQUESTS THAT
ANY PROTESTS TO THIS APPLICATION
BE FILED WITH THE BOARD AT LEAST
FIVE (5) DAYS PRIOR TO HEARING.
IF SAID WELL IS SUCCESSFULLY
COMPLETED, APPLICANT WILL APPLY
FOR PERMANENT SPACING WITHIN 90
DAYS OF FIRST PRODUCTION.

ORDER NO. 447-2006

Docket No. 512-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Ptarmigan Lands LP is granted as applied for.

BOARD ORDER NO. 447-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PTARMIGAN LANDS LP TO DRILL ITS
PROPOSED BAR DIAMOND 2-21 GAS
TEST WELL IN SECTION 21, T2N-R25E,
YELLOWSTONE COUNTY, MONTANA,
AT AN APPROXIMATE LOCATION
268' FNL AND 2300' FEL OF SAID
SECTION 21 AS AN EXCEPTION TO
A.R.M. 36.22.702. APPLICANT FURTHER
REQUESTS THAT ANY PROTESTS TO
THIS APPLICATION BE FILED WITH
THE BOARD AT LEAST FIVE (5) DAYS
PRIOR TO HEARING. IF SAID WELL IS
SUCCESSFULLY COMPLETED,
APPLICANT WILL APPLY FOR
PERMANENT SPACING WITHIN 90
DAYS OF FIRST PRODUCTION.

ORDER NO. 448-2006

Docket No. 513-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Ptarmigan Lands LP is granted as applied for.

BOARD ORDER NO. 448-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
WAVE USA, INC. TO CREATE A PERMANENT
SPACING UNIT FOR THE SUNBURST A FORMATION
COMPRISED OF THE SW¹/₄SW¹/₄ OF SECTION 24,
T37N-R2E, TOOLE COUNTY, MONTANA, AND TO
DESIGNATE APPLICANT'S J. FEY 13-24 WELL AS THE
AUTHORIZED WELL FOR SAID PERMANENT
SPACING UNIT. APPLICANT STATES THAT
75 PERCENT OF THE OIL FROM THIS WELL
WILL BE ATTRIBUTED TO THE SPACING
UNIT AND 25 PERCENT OF THE OIL FROM
THIS WELL WILL BE SHARED WITH THE
UNIT IN SECTION 23 TO PROTECT THE
CORRELATIVE RIGHTS OF THE OWNERS IN
THAT UNIT, WITH THE 25 PERCENT
CONTRIBUTING ITS PROPORTIONATE SHARE
OF DRILLING, COMPLETION AND OPERATING
COSTS OF THE J. FEY 13-24 WELL.

ORDER NO. 449-2006

Docket No. 514-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Wayne 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. Attorney Richard Beatty, representing MCR, LLC; and Pascual Laborda of the Bureau of Land Management appeared in person to protest the proposed allocation included in the application. Both parties testified and presented exhibits. The Board did not approve the allocation proposed in the application.
3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SW¹/₄SW¹/₄ of Section 24, T37N-R2E, Toole County, Montana is designated a permanent spacing unit for production of oil and associated gas from the "A" zone of the Sunburst Formation.

BOARD ORDER NO. 449-2006

IT IS FURTHER ORDERED that applicant's J. Fey 13-24 well in said Section 24 is the authorized well for said permanent spacing unit.

IT IS FURTHER ORDERED that all primary recovery production from the J. Fey 13-24 well will be attributed 50 percent to the spacing unit and 50 percent to the Fred & George Creek Sunburst "A" Sand Unit in Section 23, T37N-R2E, Toole County, Montana.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
COMPASS ENERGY, INC. TO CREATE 160-ACRE
TEMPORARY SPACING UNITS IN SECTIONS 19
AND 30, T29N-R5W, PONDERA COUNTY,
MONTANA; TO DRILL, COMPLETE AND
PRODUCE GAS FROM ALL ZONES FROM THE
SURFACE OF THE EARTH TO THE TOP OF THE
KOOTENAI FORMATION, SAID WELLS TO BE
LOCATED ANYWHERE WITHIN THE 160-ACRE
TEMPORARY SPACING UNITS BUT NOT CLOSER
THAN 660 FEET TO THE BOUNDARIES THEREOF;
AND TO COMMINGLE AND PRODUCE SAID GAS
FROM THE SAME STRING OF CASING IN ANY
WELL CAPABLE OF PRODUCTION FROM
MULTIPLE ZONES. APPLICANT WILL FILE FOR
PERMANENT SPACING OF SECTIONS 19 AND 30
WITHIN 90 DAYS OF PRODUCTION. APPLICANT
REQUESTS THAT ANY PROTESTS TO THIS
APPLICATION BE FILED WITH THE BOARD AT
LEAST FIVE (5) DAYS PRIOR TO HEARING.

ORDER NO. 450-2006

Docket No. 515-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Richard Beatty appeared on behalf of AltaMont Oil & Gas Inc. to protest the application due to inadequate notice.
3. Mr. John (Chip) Miller submitted a protest letter, which was read into the record by the Chairman, claiming he had not been properly informed of the hearing on this matter.
4. Mr. Brad Akelstad, attorney for applicant, presented a Certificate of Mailing affidavit dated December 6, 2006 and a copy of the November 21, 2006 letter sent to all owners of record. Both Mr. Miller and Mr. Patrick Montalban, a principal in AltaMont Oil & Gas Inc. were shown as being sent notice. The Board determined notice was adequate.

BOARD ORDER NO. 450-2006

5. 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 160-acre temporary spacing units are established for Sections 19 and 30, T29N-R5W, Pondera County, Montana.

IT IS FURTHER ORDERED that applicant is authorized to drill, complete and produce gas from all zones from the surface of the earth to the top of the Kootenai Formation, said wells to be located anywhere within the 160-acre temporary spacing units authorized by this Order, but not closer than 660 feet to the boundaries thereof.

IT IS FURTHER ORDERED that applicant is authorized to commingle and produce said gas from the same string of casing in any well capable of production from multiple zones.

IT IS FURTHER ORDERED applicant will apply for permanent spacing within 90 days of production.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENCORE OPERATING, L.P. TO CERTIFY THE
FOLLOWING WELLS FOR THE SEVERANCE
TAX REDUCTION AVAILABLE TO
HORIZONTAL RE-ENTRIES THROUGH THE
MONTANA DEPARTMENT OF REVENUE.

ORDER NO. 451-2006

API NUMBER	WELL NAME	LOCATION	COMPLETION DATE
25-025-21368	PNL 11-19CH	SEC 19, T8N-R60E	FEBRUARY 2006
25-109-05042	SP 44-15AH	SEC 15, T11N-R57E	MARCH 2006

Docket No. 516-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Encore Operating, L.P. is granted as applied for.

BOARD ORDER NO. 451-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
BOWERS OIL & GAS, INC. TO EXPAND THE
SOUTH PLEVNA GAS FIELD BOUNDARIES
TO INCLUDE THE S½ OF SECTION 9, THE
W½ OF SECTION 10 AND ALL OF SECTION
5, T4N-R61E, FALLON COUNTY, MONTANA,
WITH THE SPACING FOR THESE LANDS TO
BE ONE WELL PER QUARTER SECTION,
WITH WELLS TO BE LOCATED NO CLOSER
THAN 660 FEET TO THE SPACING UNIT
BOUNDARIES WITH A 150-FOOT
TOPOGRAPHIC TOLERANCE.

ORDER NO. 452-2006

Docket No. 378-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 boundaries of the South Plevna Gas Field are expanded to include the S½ of Section 9, the W½ of Section 10 and all of Section 5, T4N-R61E, Fallon County, Montana, with the spacing for these lands to be one well per quarter section, with wells to be located no closer than 660 feet to the spacing unit boundaries with a 150-foot topographic tolerance.

BOARD ORDER NO. 452-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SLAWSON EXPLORATION COMPANY, INC.
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF ALL OF SECTIONS 35 AND
36, T27N-R59E, ROOSEVELT COUNTY,
MONTANA, TO DRILL A HORIZONTAL
WELL IN THE MADISON GROUP, SAID
WELL TO BE LOCATED ANYWHERE
WITHIN SAID TEMPORARY SPACING UNIT
BUT NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 453-2006

Docket No. 385-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 Sections 35 and 36, T27N-R59E, Roosevelt County, Montana, are designated as a temporary spacing unit to drill a horizontal well in the Madison Group, said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

IT IS FURTHER ORDERED that an application for permanent spacing be made within 90 days of successful completion of the well drilled under this order.

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

BOARD ORDER NO. 453-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SLAWSON EXPLORATION COMPANY, INC. TO
CREATE A FIELD AND PERMANENT SPACING
UNIT COMPRISED OF ALL OF SECTION 34,
T24N-R53E, RICHLAND COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN FORMATION.

ORDER NO. 454-2006

Docket No. 386-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 34, T24N-R53E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 454-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SLAWSON EXPLORATION COMPANY, INC.
TO CREATE A FIELD AND PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTION 24, T24N-R52E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 455-2006

Docket No. 387-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 24, T24N-R52E, Richland County, Montana, is delineated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 455-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SLAWSON EXPLORATION COMPANY, INC.
TO CREATE A FIELD AND PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTION 2, T23N-R53E, RICHLAND
COUNTY, MONTANA FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 456-2006

Docket No. 388-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 2, T23N-R53E, Richland County, Montana, is delineated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 456-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SLAWSON EXPLORATION COMPANY, INC.
TO CREATE A FIELD AND PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTION 32, T26N-R55E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 457-2006

Docket No. 389-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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-R55E, Richland County, Montana, is delineated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 457-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CONTINENTAL RESOURCES, INC. TO DRILL A
RED RIVER FORMATION TEST WELL IN A
320-ACRE TEMPORARY SPACING UNIT
COMPRISED OF THE SE¼ OF SECTION 4 AND
THE NE¼ OF SECTION 9, T25N-R55E, RICHLAND
COUNTY, MONTANA, AT A LOCATION 200' FSL
AND 1000' FEL OF SAID SECTION 4 WITH A
75-FOOT TOPOGRAPHIC TOLERANCE; AND TO
PROVIDE THAT SAID TEMPORARY SPACING
UNIT OVERLAPS THE 320-ACRE STATEWIDE
SPACING UNIT FOR THE TILLER 1-9 WELL
CONSISTING OF THE NE¼ OF SECTION 9 AND
THE NW¼ OF SECTION 10, T25N-R55E,
RICHLAND COUNTY, AND SHALL BE LIMITED
TO PRODUCTION FROM THE PROPOSED
TEST WELL.

ORDER NO. 458-2006

Docket No. 405-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. A protest letter from James Kochick, a senior geological specialist with Kerr McGee, was read into the record by the Chairman. The application was removed from the Default Docket and a hearing was held. Kerr McGee operates a producing Red River well in the NE ¼ of said Section 9 and feels an additional well is unnecessary and will be uneconomic. The Board granted the application as applied for.
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 Continental Resources, Inc. is authorized to drill a Red River Formation test well in a 320-acre temporary spacing unit comprised of the SE¼ of Section 4 and the NE¼ of Section 9, T25N-R55E, Richland County, Montana, at a location 200' FSL and 1000' FEL of said Section 4 with a 75-foot topographic tolerance.

BOARD ORDER NO. 458-2006

IT IS FURTHER ORDERED that said temporary spacing unit overlaps the 320-acre statewide spacing unit for the Tiller 1-9 well consisting of the NE¹/₄ of Section 9 and the NW¹/₄ of Section 10, T25N-R55E, Richland County, Montana.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CHESAPEAKE OPERATING, INC. TO DESIGNATE
THE SW¼ OF SECTION 29 AND THE NW¼ OF
SECTION 32, T35N-R57E, SHERIDAN COUNTY,
MONTANA, AS A TEMPORARY SPACING UNIT
TO DRILL AN OIL AND GAS WELL TO TEST THE
RED RIVER FORMATION AT AN APPROXIMATE
STRUCTURAL INTERCEPT OF 1110' FSL AND
192' FWL OF SAID SECTION 29, WITH A 100-FOOT
TOPOGRAPHIC TOLERANCE IN ANY DIRECTION
EXCEPT WEST, AS AN EXCEPTION TO
A.R.M. 36.22.702.

ORDER NO. 459-2006

Docket No. 423-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 has agreed that should the well be successful all proceeds will be held in suspense until a permanent spacing unit is established.
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 application of Chesapeake Operating, Inc. is granted as applied for.

BOARD ORDER NO. 459-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL & GAS CORP. TO DRILL A
HORIZONTAL RED RIVER "B" FORMATION
TEST WELL BY RE-ENTERING THE
GOVERNMENT 34-14 WELL IN THE
TEMPORARY SPACING UNIT COMPRISED
OF THE E½ OF SECTION 14, T9N-R58E,
FALLON COUNTY, MONTANA, WITH SAID
LATERAL TO BE LOCATED ANYWHERE
WITHIN SAID TEMPORARY SPACING UNIT
BUT NOT LESS THAN 660 FEET FROM THE
EXTERIOR BOUNDARIES THEREOF; AND
TO PROVIDE THAT THE REQUESTED
320-ACRE TEMPORARY SPACING UNIT
OVERLAPS THE EXISTING 160-ACRE
PERMANENT SPACING UNIT CONSISTING
OF THE SE¼ OF SAID SECTION 14, WHICH
IS APPLICABLE TO SILURIAN/ORDOVICIAN
PRODUCTION FOR THE PERFORATIONS IN
THE GOVERNMENT 34-14 VERTICAL
WELLBORE, AND THAT SAID 160-ACRE
PERMANENT SPACING UNIT SHALL
REMAIN IN EFFECT.

ORDER NO. 460-2006

Docket No. 428-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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.

BOARD ORDER NO. 460-2006

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Citation Oil & Gas Corporation is authorized to drill a horizontal Red River "B" Formation test well by re-entering the Government 34-14 well in the temporary spacing unit comprised of the E½ of Section 14, T9N-R58E, Fallon County, Montana, with said lateral to be located anywhere within said temporary spacing unit but not less than 660 feet from the exterior boundaries thereof.

IT IS FURTHER ORDERED that the requested 320-acre temporary spacing unit overlaps the existing 160-acre permanent spacing unit consisting of the SE¼ of said Section 14, which is applicable to Silurian/Ordovician production for the perforations in the Government 34-14 vertical wellbore, and that said 160-acre permanent spacing unit shall remain in effect.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
NANCE PETROLEUM CORPORATION TO DRILL
A HORIZONTAL RATCLIFFE FORMATION
TEST WELL IN THE TEMPORARY SPACING
UNIT COMPRISED OF THE W½ OF SECTION 10,
T28N-R58E, ROOSEVELT COUNTY, MONTANA,
BY RE-ENTERING THE GRANLEY CRUSCH
1-10H WELL, WITH SAID LATERAL TO BE
LOCATED NOT LESS THAN 550 FEET FROM
THE EAST BOUNDARY AND 660 FEET FROM
THE REMAINING BOUNDARIES OF SAID
TEMPORARY SPACING UNIT, AND TO
PROVIDE THAT THE 320-ACRE TEMPORARY
SPACING UNIT IS ONLY APPLICABLE TO
PRODUCTION FROM THE RATCLIFFE
FORMATION FROM THE PROPOSED
GRANLEY CRUSCH 1-10HR WELL.

ORDER NO. 461-2006

Docket No. 429-2006 & 1-2007 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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 a horizontal Ratcliffe Formation test well in the temporary spacing unit comprised of the W½ of Section 10, T28N-R58E, Roosevelt County, Montana, by re-entering the Granley Crusch 1-10H well, with said lateral to be located not less than 550 feet from the east boundary and 660 feet from the remaining boundaries of said temporary spacing unit.

BOARD ORDER NO. 461-2006

IT IS FURTHER ORDERED that said 320-acre temporary spacing unit is only applicable to production from the Ratcliffe Formation from the proposed Granley Crusch 1-10HR well.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
TO DRILL AN EAGLE FORMATION GAS WELL
(THE GOODBAR #32-3-32-18) AT AN
APPROXIMATE LOCATION 680' FNL AND
2360' FWL OF SECTION 32, T32N-R18E, BLAINE
COUNTY, MONTANA, AS AN EXCEPTION TO
THE SETBACK REQUIREMENTS IN BOARD
ORDER 11-72. (TIGER RIDGE GAS UNIT)

ORDER NO. 462-2006

Docket No. 445-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. 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. 462-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
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. 463-2006

Docket No. 377-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 14th day of December, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack 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. Attorney Loren J. O'Toole, II appeared on behalf of Nerdlihc Company, Inc. (Nerdlihc) to request the Board give Nerdlihc until February 1, 2007 to plug the six Fugere wells on its bond.
3. Attorney Don Lee, representing Dan Fugere, the son of surface owner Fern Fugere, appeared in person to request the Board order Nerdlihc's bond forfeited.
4. 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 the bond of Nerdlihc Company, Inc. is hereby forfeited.

IT IS FURTHER ORDERED that the six Fugere wells on Nerdlihc's bond be placed on the Board's orphan well list and that Board staff determine if emergency clean-up of those well sites is necessary; and if so, begin performing clean-up activities in the summer of 2007.

BOARD ORDER NO. 463-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 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

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary