

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

UPON THE APPLICATION OF  
CITATION OIL & GAS CORP. TO CREATE A  
PERMANENT SPACING UNIT COMPRISED  
OF THE E½ OF SECTION 14, T9N-R58E,  
FALLON COUNTY, MONTANA, FOR  
PRODUCTION OF OIL AND ASSOCIATED  
GAS FROM THE RED RIVER "B"  
FORMATION, TO DESIGNATE THE  
REINHARTSEN # 34-14H WELL AS THE  
AUTHORIZED WELL FOR SAID PERMANENT  
SPACING UNIT, AND TO AMEND BOARD  
ORDER 12-1959 TO EXCLUDE THE RED  
RIVER "B" FORMATION INsofar AS THE  
SE¼ OF SAID SECTION 14 IS CONCERNED.  
(MONARCH FIELD)

ORDER NO. 336-2007

Docket No. 399-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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. 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, T9N-R58E, Fallon County, Montana, is designated a permanent spacing unit for production of oil and associated gas from the Red River "B" Formation.

IT IS FURTHER ORDERED that the Reinhartsen #34-14H well is the authorized well for said permanent spacing unit.

IT IS FURTHER ORDERED that Board Order 12-1959 is amended to exclude the Red River "B" Formation insofar as the SE¼ of said Section 14 is concerned.

BOARD ORDER NO. 336-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED  
OF ALL OF SECTIONS 20 AND 29, T26N-R59E,  
RICHLAND COUNTY, MONTANA, FOR  
PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE BAKKEN  
FORMATION.

ORDER NO. 337-2007

Docket No. 400-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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. 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 20 and 29, T26N-R59E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that the lands contained within said permanent spacing unit are included in the NE Elm Coulee Field.

BOARD ORDER NO. 337-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED  
OF ALL OF SECTIONS 11 AND 14, T25N-R59E,  
RICHLAND COUNTY, MONTANA, FOR  
PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE BAKKEN  
FORMATION.

ORDER NO. 338-2007

Docket No. 401-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 11 and 14, T25N-R59E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that the lands contained within said permanent spacing unit are included in the NE Elm Coulee Field.

BOARD ORDER NO. 338-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
TEMPORARY SPACING UNIT COMPRISED OF  
THE N½ OF SECTION 7, T35N-R17E, HILL  
COUNTY, MONTANA, TO DRILL A GAS WELL  
(THE BESSETTE #7-3-35-17) AT A PROPOSED  
LOCATION 902' FNL AND 2089' FWL OF SAID  
SECTION 7, WITH A 25-FOOT TOPOGRAPHY  
TOLERANCE, TO TEST PROSPECTIVE ZONES  
AND FORMATIONS FROM THE SURFACE  
DOWN TO THE BASE OF THE SECOND WHITE  
SPECKS FORMATION AS AN EXCEPTION TO  
A.R.M. 36.22.702.

ORDER NO. 339-2007

Docket No. 403-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Loren J. O'Toole II, representing Santana, Inc. (an interest owner in the adjoining S½ of Section 6, T35N-R17E, Hill County, Montana), submitted a letter requesting the order issued in this docket require applicant to return for permanent spacing within 90 days of first production. Klabzuba Oil & Gas, Inc. did not object to this request, as their application already included a statement that they would return for permanent spacing within 90 days of successful well completion.
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 N½ of Section 7, T35N-R17E, Hill County, Montana, is designated a temporary spacing unit to drill a gas well (the Bessette #7-3-35-17) at a proposed location 902' FNL and 2089' FWL of said Section 7, with a 25-foot topographic tolerance, to test prospective zones and formations from the surface down to the base of the Second White Specks Formation as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful well completion.

BOARD ORDER NO. 339-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 CREATE A PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTION 13,  
T24N-R57E, RICHLAND COUNTY, MONTANA,  
FOR PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE BAKKEN  
FORMATION.

ORDER NO. 340-2007

Docket No. 404-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 13, T24N-R57E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 340-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 POOL ALL INTERESTS IN THE PERMANENT  
SPACING UNIT COMPRISED OF ALL OF  
SECTION 13, T24N-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 PEANUT  
EAST – MYRL #13-4-H WELL.

ORDER NO. 341-2007

Docket No. 405-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Section 13, T24N-R57E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A., with respect to the Peanut East - Myrl #13-4-H well is hereby authorized.

BOARD ORDER NO. 341-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 20 AND 29, T25N-R54E,  
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. 342-2007

Docket No. 406-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 342-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 19 AND 30, T25N-R54E,  
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. 343-2007

Docket No. 407-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 343-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 30 AND 31, T23N-R58E,  
RICHLAND COUNTY, MONTANA, SAID WELL  
TO BE LOCATED ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT CLOSER THAN 660  
FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 344-2007

Docket No. 408-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 344-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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  
PERMANENT SPACING UNIT COMPRISED OF  
ALL OF SECTION 35, T24N-R56E AND ALL OF  
SECTION 2, T23N-R56E, 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. 345-2007

Docket No. 409-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 345-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 PERMANENT SPACING  
UNIT COMPRISED OF ALL OF SECTIONS 19 AND 30,  
T24N-R56E, 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. 346-2007

Docket No. 410-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 346-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF THOMAS  
OPERATING COMPANY, INC. TO CONVERT  
THE CSTSU C115 WELL (API #25-087-05291) LOCATED  
IN THE NW NE OF SECTION 15, T11N-R32E, ROSEBUD  
COUNTY, MONTANA, (SUMATRA FIELD), TO A  
CLASS II INJECTION WELL IN THE TYLER  
FORMATION AT A DEPTH OF APPROXIMATELY  
4600 FEET.

ORDER NO. 347-2007

Docket No. 411-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Thomas Operating Company, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 347-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
NANCE PETROLEUM CORPORATION TO  
CREATE A PERMANENT SPACING UNIT  
COMPRISED OF THE N½ OF SECTION 15,  
T28N-R58E, ROOSEVELT COUNTY,  
MONTANA, FOR PRODUCTION OF OIL  
AND ASSOCIATED NATURAL GAS FROM  
THE RATCLIFFE FORMATION AND TO  
DESIGNATE THE GRANLEY 4-15YH WELL  
AS THE AUTHORIZED WELL FOR SAID SPACING  
UNIT.

ORDER NO. 348-2007

Docket No. 412-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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. At the hearing, applicant's attorney Gary Broeder stated Nance Petroleum Corporation has been merged into St. Mary Land & Exploration.
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 N½ of Section 15, T28N-R58E, Roosevelt County, Montana, is designated a permanent spacing unit and that the Granley 4-15YH well is the authorized well for said spacing unit.

BOARD ORDER NO. 348-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 DESIGNATE  
ALL OF SECTION 11, T33N-R58E, SHERIDAN COUNTY,  
MONTANA, AS A 640-ACRE OVERLAPPING  
PERMANENT SPACING UNIT FOR THE GUNTON  
FORMATION, TO DESIGNATE APPLICANT'S  
MELBY 1-11H WELL AS THE AUTHORIZED WELL  
FOR SAID PERMANENT SPACING UNIT, AND TO  
PROVIDE THAT THE REQUESTED PERMANENT  
SPACING UNIT IS LIMITED TO GUNTON FORMATION  
PRODUCTION FROM THE MELBY 1-11H WELL.  
(BRUSH LAKE FIELD)

ORDER NO. 349-2007

Docket No. 413-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 11, T33N-R58E, Sheridan County, Montana, is designated a 640-acre overlapping permanent spacing unit for production of oil and associated natural gas from the Gunton Formation.

IT IS FURTHER ORDERED that applicant's Melby 1-11H well is the authorized well for said 640-acre permanent spacing unit and that said spacing unit is limited to Gunton Formation production from the Melby 1-11H well.

BOARD ORDER NO. 349-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
SINCLAIR OIL & GAS COMPANY TO CREATE A  
TEMPORARY SPACING UNIT COMPRISED OF ALL  
OF SECTIONS 16 AND 21, T27N-R53E, RICHLAND  
COUNTY, MONTANA, TO DRILL A HORIZONTAL  
WELL TO THE BAKKEN FORMATION, AND TO  
LOCATE SAID WELL ANYWHERE WITHIN SAID  
TEMPORARY SPACING UNIT BUT NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 350-2007

Docket No. 417-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Sinclair Oil & Gas Company is granted as applied for.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

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. 350-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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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 28, T23N-R55E, RICHLAND COUNTY, MONTANA,  
AND TO DESIGNATE IT'S PATRICIA 1-28H WELL  
AS THE AUTHORIZED WELL FOR SAID SPACING  
UNIT.

ORDER NO. 351-2007

Docket No. 420-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 28, T23N-R55E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Patricia 1-28H well is the authorized well for said spacing unit.

BOARD ORDER NO. 351-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 18, T23N-R54E, RICHLAND COUNTY,  
MONTANA, AND TO DESIGNATE ITS HAZEL  
1-18H WELL AS THE AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 352-2007

Docket No. 421-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 18, T23N-R54E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Hazel 1-18H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 352-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

---

Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 POOL ALL  
INTERESTS IN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTION 18, T23N-R54E,  
RICHLAND COUNTY, MONTANA, ON THE BASIS  
OF SURFACE ACREAGE, AND TO AUTHORIZE  
RECOVERY OF NON-JOINDER PENALTIES IN  
ACCORDANCE WITH SECTION 82-11-202 (2), M.C.A.,  
WITH RESPECT TO BAKKEN FORMATION  
PRODUCTION FROM THE HAZEL 1-18H WELL.

ORDER NO. 353-2007

Docket No. 422-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 all interests in the permanent spacing unit comprised of all of Section 18, T23N-R54E, Richland County, Montana, are hereby pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that recovery of non-joinder penalties in accordance with Section 82-11-202(2), M.C.A. with respect to Bakken Formation production from the Hazel 1-18H well is hereby authorized.

BOARD ORDER NO. 353-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

Linda Nelson, Chairman

---

Wayne Smith, Vice-Chairman

---

Don Bradshaw, Board Member

---

Ronald S. Efta, Board Member

---

Jack King, Board Member

---

Bret Smelser, Board Member

---

Joan Stahl, Board Member

ATTEST:

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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 SE¼ OF SECTION 25 AND  
THE NE¼ OF SECTION 36, T27N-R19E, AND  
LOTS 3 AND 4 OF SECTION 30, T27N-R20E,  
BLAINE COUNTY, MONTANA, FOR PRODUCTION  
OF EAGLE FORMATION GAS THROUGH THE  
WELLBORE OF THE STATE DIR #25-16-27-19 WELL.  
(SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 354-2007

Docket No. 426-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 SE¼ of Section 25 and the NE¼ of Section 36, T27N-R19E, and Lots 3 & 4 of Section 30, T27N-R20E, Blaine County, Montana, are designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the State DIR #25-16-27-19 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. 354-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

\_\_\_\_\_  
Wayne Smith, Vice-Chairman

\_\_\_\_\_  
Don Bradshaw, Board Member

\_\_\_\_\_  
Ronald S. Efta, Board Member

\_\_\_\_\_  
Jack King, Board Member

\_\_\_\_\_  
Bret Smelser, 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  
ESTABLISH 160-ACRE PERMANENT SPACING UNITS  
COMPRISED OF REGULAR GOVERNMENTAL  
QUARTER SECTIONS IN SECTION 24, T30N-R15E,  
HILL COUNTY, MONTANA, FOR PRODUCTION OF  
JUDITH RIVER FORMATION GAS, AND TO  
AUTHORIZE COMMINGLING OF JUDITH RIVER  
FORMATION GAS WITH EAGLE FORMATION GAS IN  
WELLS AT LOCATIONS ANYWHERE WITHIN SAID  
SPACING UNITS BUT NOT CLOSER THAN 660 FEET  
TO THE BOUNDARIES THEREOF, OR, IF DRILLED  
DIRECTIONALLY, WITH A 60-FOOT TOLERANCE AT  
THE INTERCEPT OF THE JUDITH RIVER FORMATION.  
(TIGER RIDGE FIELD)

ORDER NO. 355-2007

Docket No. 427-2007 & 7-2008 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Bureau of Land Management (BLM) of the United States Department of the Interior will issue the order pertaining to federal and/or Indian lands included in this application.
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 four (4) 160-acre permanent spacing units comprised of the regular governmental quarter sections in Section 24, T30N-R15E, Hill County, Montana, are hereby established for production of Judith River Formation gas..

IT IS FURTHER ORDERED that the commingling of Judith River Formation gas with Eagle Formation gas is hereby authorized in wells at locations anywhere within said permanent spacing units but not closer than 660 feet to the boundaries thereof, or, if drilled directionally, with a 60-foot tolerance at the intercept of the Judith River Formation.

BOARD ORDER NO. 355-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

\_\_\_\_\_  
Wayne Smith, Vice-Chairman

\_\_\_\_\_  
Don Bradshaw, Board Member

\_\_\_\_\_  
Ronald S. Efta, Board Member

\_\_\_\_\_  
Jack King, Board Member

\_\_\_\_\_  
Bret Smelser, 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 BREWER DIR #25-09-25-17) AT  
A LOCATION IN THE NE¼SE¼ OF SECTION 25,  
T25N-R17E, BLAINE COUNTY, MONTANA, NOT  
CLOSER THAN 990 FEET TO THE BOUNDARIES  
THEREOF.

ORDER NO. 356-2007

Docket No. 428-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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.

BOARD ORDER NO. 356-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

---

Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

---

Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HELIS OIL & GAS COMPANY, L.L.C. FOR AN  
ORDER CREATING AN ENHANCED RECOVERY  
UNIT (THE MIDFORK CHARLES "C" UNIT AREA)  
FOR OIL AND GAS WITHIN THE CHARLES "C"  
FORMATION UNDERLYING THE FOLLOWING  
LANDS WHICH COMPRISE APPROXIMATELY  
1120 ACRES IN VALLEY COUNTY, MONTANA.

ORDER NO. 357-2007

T30N-R45E

SECTION 15: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 16: N $\frac{1}{2}$ , SE $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

APPLICANT ALSO REQUESTS APPROVAL OF THE  
PLAN OF OPERATIONS FOR THE REQUESTED UNIT,  
WHICH CONSISTS OF A UNIT AGREEMENT AND A  
UNIT OPERATING AGREEMENT; AND REQUESTS  
THAT ALL EXISTING SPACING ORDERS BE  
VACATED AS THEY RELATE TO THE UNIT AREA  
AND UNITIZED FORMATION. (MIDFORK FIELD)

Docket No. 429-2007 & 8-2008 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 proposed unit area is composed of the Charles "C" zone underlying the following described lands in Valley County, Montana:

T30N-R45E

SECTION 15: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 16: N $\frac{1}{2}$ , SE $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

3. The project plan is to inject water into the Charles "C" zone underlying said unit area which injection will be initially accomplished through three injection wells (the Dahl 9-16, the JR 1-15 and the Harvey Grey Bear Heirs 1), the locations of which are set forth in the application and exhibits.

4. The primary energy of the reservoir has been substantially depleted and secondary recovery by water injection is feasible and reasonably necessary to increase the ultimate recovery of oil and gas. The inauguration and conduct of the waterflood injection program proposed by applicant will result in the recovery of a substantial amount of additional oil which would otherwise remain in place.

BOARD ORDER NO. 357-2007

5. There is a need for the operation as a unit of the pool underlying the above described lands and it is necessary that the interests of all owners of the oil and gas therein be unitized.

6. The evidence provided by the applicant indicates it was not possible to effectuate the wholly voluntary unitization of the interests in said reservoir and that the issuance of an order for the unit of operation of that part of the pool within the delineated area is necessary under the provisions of Section 82-11-204, MCA, et. seq.

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

8. The unit agreement has been approved in writing by the requisite number of owners and persons and by the requisite percentage of interests in the unit area as specified in Section 82-11-207, MCA.

9. Applicant's request for approval of the Midfork Unit was initially intended for the October 25, 2007 hearing, at which time Olympic Exploration and Production Co., Inc. (Olympic), a working interest owner in Tract 5 of the proposed unit area, submitted a letter requesting that the matter be continued to allow additional time for review of the proposed unit. The application was subsequently rescheduled by Helis to the December hearing and no further correspondence was received from Olympic and no one appeared on its behalf.

10. The Bureau of Land Management (BLM) of the United States Department of the Interior will issue the order pertaining to allotted Indian lands within the proposed unit area, and will file a recommendation with the Bureau of Indian Affairs to approve the proposed unit.

11. 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 Helis Oil & Gas Company, L.L.C. to create an enhanced recovery unit in Valley County, Montana, the Midfork Charles "C" Unit Area, for oil and gas within the Charles "C" Formation underlying the lands described in the caption and in #2 Findings of Fact is hereby approved.

IT IS FURTHER ORDERED that the Plan of Operations for the Midfork Charles "C" Unit Area, which consists of a Unit Agreement and a Unit Operating Agreement, is hereby approved.

BOARD ORDER NO. 357-2007

IT IS FURTHER ORDERED that all existing spacing orders for the Midfork Field that relate to the unit area and unitized formation are hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KEESUN CORP. TO PRODUCE NATURAL GAS  
FROM THE KEESUN #4B-24 DANSER WELL IN  
THE NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 24, T34N-R3W,  
TOOLE COUNTY, MONTANA, AT A LOCATION  
220' FNL AND 220' FWL OF SAID SECTION 24.  
THE KEESUN #4B-24 DANSER WELL IS  
PRODUCTIVE OF CRUDE OIL FROM THE  
MISSISSIPPIAN-MADISON FORMATION AND  
NATURAL GAS FROM THE SWIFT FORMATION,  
BUT THE LOCATION OF THE WELL IS NOT A  
LEGAL LOCATION FOR NATURAL GAS  
PRODUCTION. (KEVIN-SUNBURST FIELD)

ORDER NO. 358-2007

Docket No. 430-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Keesun Corp. is authorized to produce Swift Formation natural gas from the Keesun #4B-24 Danser well in the NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 24, T34N-R3W, Toole County, Montana, at a location 220' FNL and 220' FWL of said Section 24.

BOARD ORDER NO. 358-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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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  
ALTAMONT OIL & GAS, INC. TO CREATE A  
PERMANENT SPACING UNIT COMPRISED OF  
THE NW¼ OF SECTION 19, T29N-R5W,  
PONDERA COUNTY, MONTANA, FOR  
PRODUCTION OF NATURAL GAS FROM ALL  
ZONES FROM THE SURFACE OF THE EARTH TO  
THE TOP OF THE KOOTENAI FORMATION, AND  
TO DESIGNATE APPLICANT'S VANDENBOS 19-1  
WELL AS THE AUTHORIZED WELL FOR SAID  
PERMANENT SPACING UNIT.  
(LAKE FRANCIS FIELD)

ORDER NO. 359-2007

Docket No. 431-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 NW¼ of Section 19, T29N-R5W, Pondera County, Montana, is designated a permanent spacing unit for production of natural gas from all zones from the surface of the earth to the top of the Kootenai Formation.

IT IS FURTHER ORDERED that applicant's Vandenbos 19-1 well is the authorized well for said permanent spacing unit.

IT IS FURTHER ORDERED that said permanent spacing unit is included in the Lake Francis Field.



BOARD ORDER NO. 359-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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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 AUTHORIZE PRODUCTION OF JUDITH RIVER  
GAS THROUGH THE WELLBORE OF THE  
STATE #16-05-27-17 WELL LOCATED 1863' FNL  
AND 955' FWL OF SECTION 16, T27N-R17E,  
CHOUTEAU COUNTY, MONTANA, AS AN  
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 360-2007

Docket No. 344-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Devon Energy Production Company, L.P. is authorized to produce Judith River gas through the wellbore of the State #16-05-27-17 well located 1863' FNL and 955' FWL of Section 16, T27N-R17E, Chouteau County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 360-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PINNACLE GAS RESOURCES, INC. FOR A CLASS II  
INJECTION PERMIT FOR CONVERT THE VISBORG  
11SA-22-0841 ( API # 25-003-22690) LOCATED  
1999' FSL AND 2272' FWL OF SECTION 22, T8S-R41E,  
BIG HORN COUNTY, MONTANA, TO INJECT  
PRODUCED COAL BED NATURAL GAS WATER  
FROM NEARBY WELLS INTO THE ANDERSON  
(ALSO CALLED DIETZ 1) COAL SEAM.  
(COAL CREEK FIELD)

ORDER NO. 361-2007

Docket No. 348-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 Pinnacle Gas Resources, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 361-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
TARGE ENERGY EXPLORATION AND PRODUCTION,  
LLC TO CREATE A PERMANENT SPACING UNIT  
COMPRISED OF LOTS 3 & 4, E½SW¼, SE¼ (S½) OF  
SECTION 18, T34N-R1E, TOOLE COUNTY, MONTANA,  
FOR PRODUCTION OF NATURAL GAS FROM THE  
BOW ISLAND FORMATION AND TO DRILL AND  
PRODUCE, IF COMMERCIAL, A TEST WELL TO THE  
BOW ISLAND FORMATION AT A LOCATION 1600' FSL  
AND 2400' FEL OF SAID SECTION 18.

ORDER NO. 362-2007

Docket No. 352-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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. At the hearing, the Bureau of Land Management (BLM) of the United States Department of the Interior protested this application because of the authority provided in A.R.M. 36.22.607, which allows an applicant to request permanent spacing before drilling a well. The Board will put discussion of A.R.M. 36.22.607 on its business meeting agenda for January 2008.
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 Lots 3 & 4, E½SW¼, SE¼ (S½) of Section 18, T34N-R1E, Toole County, Montana, are designated a permanent spacing unit for production of natural gas from the Bow Island Formation.

IT IS FURTHER ORDERED that applicant's Stewart 10-18 well located 1600' FSL and 2400' FEL of said Section 18 is the authorized well for the spacing unit. .

BOARD ORDER NO. 362-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
NADEL & GUSSMAN ROCKIES, L.L.C. TO CREATE  
A FIELD AND PERMANENT SPACING UNIT  
COMPRISED OF LOTS 1-3, 6-8, 9-11 AND 14-16 OF  
SECTION 4, T1S-R62E, CARTER COUNTY,  
MONTANA, FOR PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE RED  
RIVER FORMATION THROUGH THE HAT CREEK  
FEDERAL #1 WELL.

ORDER NO. 363-2007

Docket No. 362-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 application was protested by attorney Don Lee representing the Arledge family as unleased mineral owners who together have a 50 percent working interest in Tract 2 of the proposed permanent spacing unit. Mr. Lee requested the Board deny the application as submitted. He argued that the Hat Creek Federal #1 well would drain minerals underlying Lots 17, 18 and 19 of said Section 4, which adjoin but are not included in the proposed permanent spacing unit; and that Lots 1, 2, and 3 in said Section 4, which are included in the proposed permanent spacing unit, would not contribute to the oil produced from the Hat Creek Federal #1 well and therefore should not be included in the proposed permanent spacing unit. After lengthy testimony and exhibits from both parties, the Board voted to exclude Lots 1, 2, and 3 from the permanent spacing unit.
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 Lots 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, are designated a permanent spacing unit for production of Red River Formation oil and associated natural gas through the Hat Creek Federal #1 well.



BOARD ORDER NO. 363-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

I dissent. I do not believe the correlative rights of the Arledge family have been protected.

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Joan Stahl, Board Member

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

UPON THE APPLICATION OF  
NADEL & GUSSMAN ROCKIES, L.L.C. TO POOL  
ALL INTERESTS IN THE PERMANENT SPACING  
UNIT COMPRISED OF LOTS 1-3, 6-8, 9-11 AND  
14-16 OF SECTION 4, T1S-R62E, CARTER  
COUNTY, MONTANA, FOR PRODUCTION OF  
OIL AND ASSOCIATED NATURAL GAS FROM  
THE RED RIVER FORMATION WITH RESPECT  
TO THE HAT CREEK FEDERAL #1 WELL, AND  
TO AUTHORIZE RECOVERY OF NON-CONSENT  
PENALTIES IN ACCORDANCE WITH SECTION  
82-11-202 (2), M.C.A.

ORDER NO. 364-2007

Docket No. 363-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of December, 2007 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 protested at the hearing along with the permanent spacing application filed in conjunction with this pooling request. Attorney Don Lee, representing the Arledge family who have a 50 percent working interest ownership in Tract 2 of the originally proposed permanent spacing unit, argued that Lots 1, 2, and 3 of Section 4, T1S-R62E, Carter County, Montana, should be excluded from the proposed spacing unit and that Lots 17, 18, and 19 of said Section 4 should be included in the permanent spacing unit. Based on testimony and exhibits presented by both parties at the spacing hearing, the Board removed Lots 1, 2, and 3 of said Section 4 from the permanent spacing unit.

3. At the hearing on the pooling request, attorney John Lee amended the Nadel & Gussman Rockies, L.L.C. application to reflect the permanent spacing unit approved by the Board, as set forth in Board Order 363-2007.

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 all interests in the permanent spacing unit comprised of Lots 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, are pooled on the basis of surface acreage for production of Red River Formation oil and associated natural gas from the Hat Creek Federal #1 well.

BOARD ORDER NO. 364-2007

IT IS FURTHER ORDERED that recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A., is hereby authorized with respect to Red River Formation production from the Hat Creek Federal #1 well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
OF FLYING J OIL & GAS INC. TO PERMIT  
THE FLARING OF MORE THAN 100 MCF PER  
DAY OF ASSOCIATED GAS FROM THE  
REUGSEGGER #4N-24H WELL IN SECTION 24,  
T36N-R52E, SHERIDAN COUNTY, MONTANA,  
UNTIL FEBRUARY 1, 2008, AS AN EXCEPTION TO  
A.R.M. 36.22.1220. (OUTLOOK FIELD)

ORDER NO. 365-2007

Docket No. 423-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 6<sup>th</sup> day of December, 2007 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. Flying J Oil & Gas Inc. (Flying J) was given administrative approval at the Board's September 5, 2007 business meeting to flare more than 100 mcf per day of associated gas until December 6, 2007 from the Reugsegger #4N-24H well in Section 24, T35N-R52E, Sheridan County, Montana. Flying J submitted an application for the Board's December 6, 2007 public hearing to extend the excess flaring authorization to February 1, 2008.
3. Prior to hearing, attorney Joy Stevens notified Board staff that her clients, the Reugsegger family, would protest the application. At the hearing, Ms. Stevens said the Reugseggers withdrew their protest as long as Flying J would adhere to the February 1, 2008 deadline contained in its application.
4. Since the next Board public hearing is January 31, 2008, the administrator recommended the hearing on this application be continued until that date.
5. The evidence indicates that continuing the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Flying J Oil & Gas Inc. is authorized to flare more than 100 mcf per day from the Reugsegger #4N-24H well until February 1, 2008.

IT IS FURTHER ORDERED that the application of Flying J Oil & Gas Inc. is continued to January 31, 2008.

BOARD ORDER NO. 365-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6<sup>th</sup> day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE FAILURE OF  
FAITH DRILLING, INC. TO PLUG AND  
ABANDON THE HOLSTEIN 31-5 WELL  
IN SECTION 5, T28N-R7W, PONDERA,  
COUNTY, MONTANA, BY NOVEMBER 2,  
2007, AS REQUIRED BY BOARD ORDER  
402-2006.

ADMINISTRATIVE ORDER NO. 1A-2007

Report of the Board

This matter was originally brought before the Board at its November 2, 2006 public hearing in the conference room of the Billings Petroleum Club at the Crowne Plaza Billings in Billings, Montana. Mr. Doug Bruner, owner of Faith Drilling, was present and testified at the public hearing. As a result of the public hearing, Board Order 402-2006 was issued, which required Faith Drilling, Inc. to plug and abandon the Holstein 31-5 well in Section 5, T28N-R7W, Pondera County, Montana, by November 2, 2007.

Findings of Fact

1. The Holstein 31-5 well in Section 5, T28N-R7W, Pondera County, Montana, was not plugged and abandoned by the November 2, 2007 deadline established in Board Order 402-2006.
2. Mr. Doug Bruner of Faith Drilling, Inc. appeared at the Board's December 5, 2007 business meeting, but did not testify nor stay for the discussion on the matter. Chief Field Inspector told the Board that, instead of plugging and abandoning the well, Mr. Bruner would like to set a temporary cast iron plug in the tubing and increase his bond because he has a project in mind for the well in the future.
3. A motion was made by Mr. Smelser, seconded by Ms. Stahl, to allow Faith Drilling, Inc. to temporarily abandon the well and perform pressure tests on the casing annulus each year. The motion failed on a roll call vote with Mr. Bradshaw and Mr. Smelser voting yes and all other members voting nay.
4. Another motion was made by Mr. Smith, seconded by Mr. Efta, to give Faith Drilling, Inc. until July 31, 2008 to plug and abandon the Holstein 31-5 well; and if it is not done by that time to schedule a show-cause hearing for bond forfeiture. The motion passed. Mr. Smelser voted nay.
5. 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 Faith Drilling, Inc. must plug and abandon the Holstein 31-5 well in Section 5, T28N-R7W, Pondera County, Montana, by July 31, 2008 or a show-cause hearing for bond forfeiture will be scheduled.

ADMINISTRATIVE ORDER NO. 1A-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5<sup>th</sup> day of December, 2007.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

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Joan Stahl, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary