

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

UPON THE BOARDS OWN MOTION
TO REVISE AND AMEND BOARD ORDER 99-99
WHICH ESTABLISHED COAL BED METHANE
OPERATING PRACTICES WITHIN THE
POWDER RIVER BASIN CONTROLLED
GROUNDWATER AREA IN BIG HORN,
POWDER, RIVER, ROSEBUD, TREASURE AND
CUSTER COUNTIES, MONTANA.

ORDER 151-2008

Docket No. 159-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 The purpose of this Order is to revise the monitoring and reporting requirements originally promulgated under Board Order 99-99, and to describe the role of the Technical Advisory Committee (TAC) established under the Department of Natural Resources and Conservation (DNRC) Final Order for the Powder River Basin Controlled Ground Water Area.

2 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.

3. Eight years (1999-2007) of coal bed methane (CBM) production and groundwater monitoring experience indicate the need to establish rules for monitoring plans and reporting requirements that better integrate monitoring by multiple CBM producers, focus monitoring where needed to protect water sources used by Montana citizens, and implement data collection and reporting procedures that support those requirements.

4. The TAC is tasked under the DNRC Final Order to make recommendations to the Board regarding development of specific groundwater characterization, monitoring, and reporting requirements for field developments.

5. The TAC will provide technical guidance and recommendations to the Board on monitoring plans so that groundwater protection objectives can be achieved.

6 Mr. Russ Levens of the Water Resources Division of the DNRC, who coordinates the Powder River Basin Controlled Groundwater TAC, was present to provide: a) recommendations from the TAC regarding revisions to monitoring and reporting requirements originally established in Board Order 99-1999, which established coal bed methane operating practices within the Powder River Basin Controlled Groundwater Area in Big Horn, Powder River, Rosebud, Treasure and Custer Counties, Montana; and b) proposed guidelines for groundwater monitoring and reporting for CBM producers operating in Montana.

BOARD ORDER NO. 151-2008

7. Two members of the Northern Plains Resources Council (NPRC) were present to voice concerns about the proposed revisions and guidelines. Mr. Mark Fix of Miles City is concerned that industry identifies wells to be monitored and does the monitoring, that a subset of wells would be used for monitoring instead of the entire set, and that the monitoring data needs to be synthesized into a final report. He would like to see an independent third party do the monitoring. Ms. Julia Page of Gardiner said she agrees with Mr. Fix's concerns. She also said there is distrust about industry policing itself. She would like to see the revisions establish guidelines about the frequency and timing of data collection and monitoring. She also wants third party involvement and would like a checklist for monitoring plans to follow so there is standardization.

8. Mr. Terry Punt, a rancher from Birney, Montana, who has participated in TAC meetings and performs voluntary monitoring of his springs and wells, testified that the voluntary monitoring being done now by ranchers is not done on a regular and consistent basis. He would like to see monitoring plans be more uniform and third party involvement in the monitoring.

9. Mr. Tom Osborne of HydroSolutions was present to testify about checks and balances in the existing monitoring framework.

10. Mr. Tom Richmond, Administrator of the Board of Oil and Gas Conservation, recommended the Board adopt the recommendations from TAC for modification of Board Order 99-99 because this is an incremental process. He also recommended the Board ask the TAC, at its next annual review of the Guidelines for Groundwater and Monitoring, to make recommendations to the Board about data collection and monitoring by a third party.

11. The evidence indicates that issuing an order in the manner set forth below will serve to protect correlative rights and be in the best interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the following supersedes the CBM monitoring and reporting requirements originally promulgated under Board Order 99-99, and describes the role of the Technical Advisory Committee (TAC) established under the Department of Natural Resources and Conservation (DNRC) Final Order for the Powder River Basin Controlled Ground Water Area.

IT IS FURTHER ORDERED that this general order applies to CBM wells drilled on private and state land in the Powder River Basin Controlled Groundwater Area as established by the Department of Natural Resources and Conservation. It does not apply to lands owned by Indian Tribes or held in trust by the United States for Indian Tribes or individual Indians.

1. Applications for permits to drill exploratory wells to determine the potential for CBM production will be approved as wildcat gas wells under existing rules. Well density is limited to one well per section, setback at least 990 feet from the section lines. Locations must be advertised and the ten day waiting period prior to approval applies.

2. Wells drilled for the purpose of exploring for or producing CBM must meet the drilling, completion and plugging requirements of any other well under the Board's general rules and regulations. However, wells that are drilled to the top of the target coal or through commingled coal beds and have casing set and cemented back to surface need not be equipped with a separate string of production casing.

BOARD ORDER NO. 151-2008

3. Operators will be required to submit to the Board for approval a Project Plan of Development (POD) outlining the proposed development of an area when requesting CBM well densities greater than one (1) well per 640 acres. Notice of public hearing will be published by the Board in the manner customarily used by it; the Applicant must provide actual notice of proposed hearing to the record owners as required under Section 82-11-141(4)(b), MCA, and to ground water right holders whose point of diversion (spring or well) is within the POD or within one mile of the exterior boundary of the proposed POD area.

4. A POD application must include maps, cross-sections and a description of the existing hydrologic resources, including water wells or springs that may be affected by the project, and a copy of the water mitigation agreement being used or proposed for use in the project area. The Applicant must provide an estimated time frame for development activities. The Applicant must submit a monitoring and evaluation plan for water resources in the project area to the TAC for review. The plan shall be in accordance with the Groundwater Monitoring and Reporting Guidelines approved by the Board and adopted by the TAC. The TAC shall review the proposed monitoring plan and may make recommendations to the Applicant and Board.

The TAC shall develop proposed Groundwater Monitoring and Reporting Guidelines for use by CBM producers and submit these in writing to the Board for its review. The Groundwater Monitoring and Reporting Guidelines shall be reviewed by the TAC annually, with recommendation for modifications submitted in writing to the Board. The Board shall renew or approve modifications to the Guidelines and transmit the Guidelines to the TAC for implementation. A review and modification of the Groundwater Monitoring and Reporting Guidelines also may be performed at the request of the BOGC Administrator.

5. Notice to ground water rights holders must be given by mailing the written notice, postage prepaid, to the address shown by the records of the Department of Natural Resources and Conservation at the time notice is given. The notice must briefly summarize the application and provide the time and place of the public hearing.

6. Prior to the development of a CBM well that involves the production of ground water from an aquifer that is a source of supply for appropriation rights or permits to appropriate under Title 85, Chapter 2, the developer of the CBM well shall notify and offer a reasonable mitigation agreement to each appropriator of water who holds an appropriation right or a permit to appropriate under Title 85, Chapter 2, that is for ground water and for which the point of diversion is within 1 mile of the CBM well; or one-half mile of a well that is adversely affected by the CBM well. The mitigation agreement must address the reduction or loss of water resources and must provide for prompt supplementation or replacement of water from any natural spring or water well adversely affected by the CBM well. The mitigation agreement is not required to address a loss of water well productivity that does not result from a reduction in the amount of available water because of production of ground water from the CBM well. The Board will review areas covered by mitigation agreements as part of its review of field development proposals.

7. CBM producers are responsible for meeting the following reporting requirements. CBM production will be reported on Board Form No. 6 and will include produced volumes of both gas and water. Form No. 6 will be filed for all unplugged CBM wells even if the only production reported is water. An initial pre-production static water level will be reported for each newly completed CBM well at the time Form No. 4 is filed. CBM producers will provide the TAC with groundwater monitoring data and information they collect or that they compile from other relevant entities, as well as evaluations of those data and information.

8. The requirement to run electric or radioactive wells logs will be met if the operator logs one well in each quarter section to the deepest target CBM horizon. The minimum log required is a gamma-ray log, which may be run through pipe; however, a gamma ray-density log in open hole is recommended.

BOARD ORDER NO. 151-2008

9. Approval of development plans and establishment of field rules and spacing requirements will be under such conditions and time frames as the Board may deem adequate.

IT IS FURTHER ORDERED that the Board hereby approves and adopts the Groundwater Monitoring and Reporting Guidelines submitted by the TAC, which are included as an attachment to this order and incorporated into this order by reference.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

Groundwater Monitoring and Reporting Guidelines

Prepared for CBM Producers Operating in Montana

By the CBM Technical Advisory Committee (TAC)

On Behalf of the Montana Board of Oil and Gas Conservation

The following Guidelines were adopted by the Montana Board of Oil and Gas Conservation (BOGC) in accordance with Board Order 151-2008, and Montana Department of Natural Resources and Conservation (DNRC) Final Order for the Powder River Basin Controlled Ground Water Area (1999). Prior to the BOGC's public hearing regarding an Applicant's proposed Coal Bed Methane (CBM) project, the Applicant will submit a monitoring and evaluation plan for water resources in the project area (herein called the "Groundwater Monitoring and Reporting Plan") to the TAC for its review and input. The Groundwater Monitoring and Reporting Plan should include the following components:

1. **Introduction and Scope of Work:** For each proposed Plan of Development (POD) area, the Applicant will describe their process to collect pre-production and post-production hydrostatic pressures and water quality data. The Applicant will also describe their process to measure or estimate hydrostatic pressure during production of each monitored zone, as determined below. These data are to be collected on a regular annual basis in a consistent manner throughout the period of CBM production.
2. **Identify Units and Areas to be Monitored:** The Applicant will identify the coal beds to be produced that, based on site-specific hydro geologic analysis, are also water sources for the wells and springs identifiable with current public records and reasonably expected to be affected by de-pressurization/drawdown from the proposed development, as defined in #3 below. At a minimum, public records for the purpose of these Guidelines include the database of the Ground Water Information Center (GWIC) (<http://mbmaggwic.mtech.edu/>) and the DNRC's Water Right database (<http://nris.state.mt.us/dnrc/waterrights/default.aspx>). Based on the hydro geologic analysis, the Applicant will identify the Geographic Area to be Monitored. This area will include the POD area and a peripheral zone around the POD area extending a minimum of one mile beyond the exterior boundary of the proposed POD area. The Geographic Area to be Monitored will be displayed on the map(s) and included in the list described in #3 below.
3. **Private Well and Spring Inventory:** The Applicant will provide a list of all wells and springs within the Geographic Area to be Monitored which are identifiable with public records. These wells and springs will be categorized as "Potentially Affected", or "No Potential for Effects" within the meaning of the DNRC Final Order designating the Powder River Basin Controlled Ground Water Area which states that CBM groundwater withdrawals, "are monitored and the water withdrawals be controlled where existing beneficial uses of water are adversely affected". Potentially Affected wells or springs will have the coal seam from which they may be obtaining water identified. Available supporting hydro geologic data such as static water levels and water quality data, along with well construction information will be provided. The Applicant will also provide a map or maps showing the proposed POD area, location of proposed CBM wells, hydrologic features, area geology and structure, and the Potentially Affected wells and springs.

ATTACHMENT - GROUNDWATER MONITORING AND REPORTING GUIDELINES

4. Groundwater Monitoring Network: Based on the site-specific hydro geologic analysis and the well and spring inventory above, the Applicant will identify the coal beds to be produced which are also water sources for Potentially Affected wells and springs. The Applicant will propose a network for annual monitoring of each coal bed which provides for monitoring of hydrostatic pressure (head) within the producing field, and monitoring of hydrostatic pressure (head) at all Potentially Affected wells and monitoring of flow at all Potentially Affected springs in the peripheral zone of the POD area for which landowner permission can be obtained. The Applicant may propose to monitor a representative subset of Potentially Affected wells and springs best suited to characterize effects from the proposed POD. The applicant also may propose to use monitoring wells constructed and situated to measure the hydrostatic head in the coal bed of interest. There must be sufficient monitoring to establish a distance-drawdown relationship for each coal bed to be produced which is also a water source for Potentially Affected wells and springs. The applicant may propose a different density of monitoring in coal beds with the greatest potential for adverse effects on existing wells or springs as a result of CBM production and may propose alternate methods for developing distance-drawdown relationships for coal beds with limited potential for adverse effects.

Preexisting monitoring wells, private wells and non-producing CBM wells may be utilized to define the hydrostatic pressures (heads) in the peripheral zone where possible so long as the monitoring data obtained are representative of an individual coal bed and not comingled produced coal beds. It should be recognized that since private wells typically do not have an annular seal, they may be of limited use for defining hydrostatic pressures. Where PODs or CBM developments adjoin, monitoring networks should be based on a unified monitoring approach where feasible. The Applicant will present a summary table and map of the proposed monitoring network, which will show the existing and/or proposed wells to be monitored and identify any sources of data expected to be obtained by neighboring CBM producers. The aquifer in which the wells are completed will be indicated. Any alternatives or deviations to the monitoring guidelines described herein will be explained. In developing the monitoring network, Applicants and the TAC will take into consideration limitations and opportunities of land and mineral ownership, accessibility, geology, well construction, and other relevant factors.

5. Data Management: The Applicant will present a proposed schedule for collection and submission of monitoring data and supporting information consistent with guidance provided by the TAC or the Board. The data management process shall be designed to enable the development of a consolidated Annual CBM Regional Ground-Water Monitoring Report for coal bed methane production from the Powder River Basin in Montana which is focused on protection of water supplies.

The TAC shall review the Applicant's proposed monitoring plan and may: a) recommend approval of the plan without change, b) recommend approval of the plan with conditions, or, c) recommend rejection of the plan as presented and provide reasons for such recommendation, and in each case so notify the Applicant and the Board. A review of the proposed monitoring plan may be requested by either the TAC or the Applicant and scheduled prior to the TAC's recommendations to the Board. Revisions to the proposed monitoring plan will be incorporated according to their mutual agreement.

Modification of Monitoring Plans: Applicants may request modification of previously approved Monitoring Plans. These proposed modifications will be submitted to the TAC. The TAC will evaluate the modified monitoring plan and provide recommendation for approval or modifications in writing to the Board. Modifications to Monitoring Plans which are within the scope of the existing Monitoring Guidelines and considered to be minor or an improvement by both the TAC and BOGC Administrator may be administratively approved through use of a Sundry Notice (Form 2), letter or memorandum.

BOARD ORDER 151-2008

ATTACHMENT - GROUNDWATER MONITORING AND REPORTING GUIDELINES

Reassessment of Monitoring Plans: The TAC will reassess each CBM producer's monitoring plan annually. A monitoring plan review may also be performed at the request of the BOGC Administrator.

Reporting: Groundwater monitoring data and information collected or compiled by CBM producers pursuant to approved monitoring plans, including evaluations of those data and information, will be presented to the Board and TAC in a consolidated Annual CBM Regional Ground-Water Monitoring Report prepared by MBMG, or, if a consolidated report is not presented, in individual field- or POD-specific reports prepared by CBM producers. The TAC shall review the consolidated Annual CBM Regional Ground-Water Monitoring Report or individual reports and may make recommendations to the Board as provided in DNRC's Final Order designating the Powder River Basin Controlled Ground Water Area.

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT THE
D-825 WELL (API #25-005-05150) LOCATED IN THE
SESESW OF SECTION 25, T32N-R19E, BLAINE
COUNTY, MONTANA, (BOWES FIELD) TO A CLASS
II INJECTION WELL IN THE SAWTOOTH
FORMATION. AN AQUIFER EXEMPTION IS BEING
REQUESTED AS PART OF THE APPLICATION, AS
WATER IN THE PROPOSED INJECTION ZONE
CONTAINS LESS THAN 10,000 MG/L TOTAL
DISSOLVED SOLIDS.

ORDER NO. 152-2008

Docket No. 167-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Citation Oil & Gas Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 152-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT
THE F-735 WELL (API #25-005-05111)
LOCATED IN THE NESWSE OF SECTION 35,
T32N-R19E, BLAINE COUNTY, MONTANA,
(BOWES FIELD) TO A CLASS II INJECTION
WELL IN THE SAWTOOTH FORMATION. AN
AQUIFER EXEMPTION IS BEING REQUESTED
AS PART OF THE APPLICATION, AS WATER IN
THE PROPOSED INJECTION ZONE CONTAINS
LESS THAN 10,000 MG/L TOTAL DISSOLVED
SOLIDS.

ORDER NO. 153-2008

Docket No. 168-2008

Report of the Board

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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 Citation Oil & Gas Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 153-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT THE
E-436 WELL (API #25-005-05127) LOCATED IN THE
C SWNE OF SECTION 36, T32N-R19E, BLAINE
COUNTY, MONTANA, (BOWES FIELD) TO A
CLASS II INJECTION WELL IN THE SAWTOOTH
FORMATION. AN AQUIFER EXEMPTION IS BEING
REQUESTED AS PART OF THE APPLICATION, AS
WATER IN THE PROPOSED INJECTION ZONE
CONTAINS LESS THAN 10,000 MG/L TOTAL
DISSOLVED SOLIDS.

ORDER NO. 154-2008

Docket No. 169-2008

Report of the Board

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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 Citation Oil & Gas Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 154-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008, subject to stipulations on the Sundry Notice.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT THE
D-502 WELL (API #25-005-21622) LOCATED IN THE
NENESW OF SECTION 2, T31N-R19E, BLAINE
COUNTY, MONTANA, (BOWES FIELD) TO A
CLASS II INJECTION WELL IN THE SAWTOOTH
FORMATION. AN AQUIFER EXEMPTION IS BEING
REQUESTED AS PART OF THE APPLICATION, AS
WATER IN THE PROPOSED INJECTION ZONE
CONTAINS LESS THAN 10,000 MG/L TOTAL
DISSOLVED SOLIDS.

ORDER NO. 155-2008

Docket No. 170-2008

Report of the Board

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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 Citation Oil & Gas Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 155-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT THE
F-702 WELL (API #25-005-05062) LOCATED IN THE
SWSE OF SECTION 2, T31N-R19E, BLAINE
COUNTY, MONTANA, (BOWES FIELD) TO A
CLASS II INJECTION WELL IN THE SAWTOOTH
FORMATION. AN AQUIFER EXEMPTION IS BEING
REQUESTED AS PART OF THE APPLICATION, AS
WATER IN THE PROPOSED INJECTION ZONE
CONTAINS LESS THAN 10,000 MG/L TOTAL
DISSOLVED SOLIDS.

ORDER NO. 156-2008

Docket No. 171-2008

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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 Citation Oil & Gas Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 156-2008

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BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

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Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
CITATION OIL AND GAS CORP. TO CONVERT THE
B-701 WELL (API #25-005-05053) LOCATED IN THE
NESWSW OF SECTION 1, T31N-R19E, BLAINE
COUNTY, MONTANA, (BOWES FIELD) TO A
CLASS II INJECTION WELL IN THE SAWTOOTH
FORMATION. AN AQUIFER EXEMPTION IS BEING
REQUESTED AS PART OF THE APPLICATION, AS
WATER IN THE PROPOSED INJECTION ZONE
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Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
ST. MARY LAND & EXPLORATION COMPANY
TO DESIGNATE THE SE¼ OF SECTION 8 AND
THE SW¼ OF SECTION 9, T27N-R57E,
ROOSEVELT COUNTY, MONTANA, AS A
320-ACRE PERMANENT SPACING UNIT FOR
THE RED RIVER FORMATION, AND TO
DESIGNATE THE DESCHAMP 13-9 WELL AS
THE AUTHORIZED WELL FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM SAID PERMANENT SPACING UNIT.

ORDER NO. 158-2008

Docket No. 173-2008 & 10-2008 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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. Tract 1 of the proposed spacing unit, which is comprised of the SW¼ of Section 9, T27N-R58E, Roosevelt County, Montana, is allotted Indian minerals and the Bureau of Land Management of the United States Department of Interior will issue the order regarding those lands.
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 SE¼ of Section 8 and the SW¼ of Section 9, T27N-R57E, Roosevelt County, Montana, are designated a 320-acre permanent spacing unit for production of oil and associated gas from the Red River Formation.

IT IS FURTHER ORDERED that the Deschamp 13-9 well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 158-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION COMPRISED OF ALL OF
SECTION 4, T25N-R54E, RICHLAND COUNTY,
MONTANA, AND TO DESIGNATE APPLICANT'S
PENNIE 1-4H WELL AS THE AUTHORIZED WELL
FOR SAID PERMANENT SPACING UNIT.

ORDER NO. 159-2008

Docket No. 174-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 4, T25N-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 Pennie 1-4H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 159-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION COMPRISED OF ALL OF
SECTION 26, T26N-R54E, RICHLAND COUNTY,
MONTANA, AND TO DESIGNATE APPLICANT'S
NEWHOUSE 1-26H WELL AS THE AUTHORIZED
WELL FOR SAID PERMANENT SPACING UNIT.

ORDER NO. 160-2008

Docket No. 175-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 26, T26N-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 Newhouse 1-26H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 160-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF SECTIONS
28 AND 33, T25N-R53E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR
BOUNDARIES THEREOF.

ORDER NO. 161-2008

Docket No. 176-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 161-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 18 AND 19, T24N-R54E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR
BOUNDARIES THEREOF.

ORDER NO. 162-2008

Docket No. 177-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 162-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 17 AND 20, T24N-R54E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 163-2008

Docket No. 178-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 163-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF SECTION 3,
T23N-R54E AND ALL OF SECTION 34,
T24N-R54E, RICHLAND COUNTY,
MONTANA, SAID WELL TO BE LOCATED
ANYWHERE WITHIN SAID SPACING UNIT
BUT NOT CLOSER THAN 660 FEET TO THE
EXTERIOR BOUNDARIES THEREOF.

ORDER NO. 164-2008

Docket No. 179-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 164-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 26 AND 35, T24N-R54E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 165-2008

Docket No. 180-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 165-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 20 AND 29, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 166-2008

Docket No. 181-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 166-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 21 AND 28, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 167-2008

Docket No. 182-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 167-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 22 AND 27, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 168-2008

Docket No. 183-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 168-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 9 AND 16, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 169-2008

Docket No. 184-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 169-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 8 AND 17, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 170-2008

Docket No. 185-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 170-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 10 AND 15, T23N-R56E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR
BOUNDARIES THEREOF.

ORDER NO. 171-2008

Docket No. 186-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 171-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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. FOR
PERMISSION TO DRILL AN ADDITIONAL
BAKKEN FORMATION HORIZONTAL
WELL IN THE PERMANENT SPACING
UNIT COMPRISED OF ALL OF
SECTIONS 13 AND 24, T25N-R52E, RICHLAND
COUNTY, MONTANA, SAID WELL TO BE
LOCATED ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 172-2008

Docket No. 187-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 172-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
KLABZUBA OIL & GAS, INC. TO VACATE THE
TEMPORARY SPACING UNIT CREATED BY
BOARD ORDER 23-2002 AND COMPRISED OF
THE E $\frac{1}{2}$ OF SECTION 8 AND THE W $\frac{1}{2}$ OF
SECTION 9, T35N-R16E, HILL COUNTY,
MONTANA. APPLICANT FURTHER REQUESTS
TO VACATE THE TEMPORARY SPACING UNIT
CREATED BY BOARD ORDERS 39-98 AND 42-99
AND COMPRISED OF THE SE $\frac{1}{4}$ OF SECTION 9,
THE SW $\frac{1}{4}$ OF SECTION 10 AND THE NE $\frac{1}{4}$ OF
SECTION 16, T35N-R16E, HILL COUNTY,
MONTANA.

ORDER NO. 173-2008

Docket No. 188-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 173-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. TO ADD
THE NE¼ OF SECTION 30, T8S-R41E, BIG
HORN COUNTY, MONTANA, TO THE COAL
CREEK FIELD AS DELINEATED IN BOARD
ORDER 152-2005.

ORDER NO. 174-2008

Docket No. 189-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 NE¼ of Section 30, T8S-R41E, Big Horn County, Montana, is added to the Coal Creek Field as delineated in Board Order 152-2005.

BOARD ORDER NO. 174-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. TO ENLARGE
THE FORK'S RANCH FIELD TO INCLUDE THE
FOLLOWING DESCRIBED LANDS IN BIG HORN
COUNTY, MONTANA.

ORDER NO. 175-2008

T9S-R43E

SECTION 13: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 24: ALL

SECTION 25: ALL

SECTION 26: ALL

SECTION 34: E $\frac{1}{2}$

SECTION 35: ALL

Docket No. 190-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Fork's Ranch Field was delineated in Board Order 383-2006 as a field for production of coal bed natural gas from all coal bed zones from the surface to the base of the Fort Union Formation. The order also established 80-acre spacing units with 220-foot setbacks with one well per coal bed per spacing unit, and authorized commingling in the wellbore gas produced from different coal beds.
3. Applicant has submitted its Plan of Development (POD) to the Board for lands being added in this application to the Fork's Ranch Field.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Fork's Ranch Field is enlarged to include the SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, the E $\frac{1}{2}$ of Section 34, and all of Sections 24, 25, 26 and 35, T9S-R43E, Big Horn County, Montana.

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. 175-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PINNACLE GAS RESOURCES, INC. FOR APPROVAL
OF ITS FORK'S RANCH PLAN OF DEVELOPMENT
(POD) FOR COAL BED NATURAL GAS
EXPLORATION AND DEVELOPMENT UPON THE
FOLLOWING LANDS IN BIG HORN COUNTY,
MONTANA:

ORDER NO. 176-2008

T9S-R43E

SECTION 13: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 24: ALL

SECTION 25: ALL

SECTION 26: ALL

SECTION 34: E $\frac{1}{2}$

SECTION 35: ALL

APPLICANT WILL SUBMIT THE FORK'S RANCH
POD TO BOARD STAFF PRIOR TO HEARING.

Docket No. 191-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 applicant's Fork's Ranch (Federal) Plan of Development is hereby approved for coal bed natural gas exploration and development in the SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, the E $\frac{1}{2}$ of Section 34, and all of Sections 24, 25, 26 and 35, T9S-R43E, Big Horn County, Montana.

IT IS FURTHER ORDERED that approval of the POD is contingent upon the completion of an environmental assessment.

BOARD ORDER NO. 176-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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.
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½ OF SECTION 22 AND
THE N½ OF SECTION 27, T31N-R17E, HILL
COUNTY, MONTANA, TO DRILL A NIOBRARA
FORMATION GAS WELL (THE OLSON #22-14-31-17)
AT A PROPOSED LOCATION APPROXIMATELY
318' FSL AND 2420' FWL OF SAID SECTION 22
WITH A 75-FOOT TOLERANCE AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 177-2008

Docket No. 192-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

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

BOARD ORDER NO. 177-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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.
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½ OF SECTION 23 AND
THE N½ OF SECTION 26, T27N-R19E, BLAINE
COUNTY, MONTANA, TO DRILL AN EAGLE
FORMATION GAS WELL (THE STATE #23-15-27-19)
AT A PROPOSED LOCATION APPROXIMATELY
200' FSL AND 2380' FEL OF SAID SECTION 23
WITH A 200-FOOT TOLERANCE AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 178-2008

Docket No. 193-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

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

BOARD ORDER NO. 178-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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.
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½ OF SECTION 22 AND
THE NW¼ OF SECTION 27, T27N-R19E, BLAINE
COUNTY, MONTANA, TO DRILL AN EAGLE
FORMATION GAS WELL
(THE STATE #27-04-27-19) AT A PROPOSED
LOCATION APPROXIMATELY 265' FNL AND
1050' FWL OF SAID SECTION 27 WITH A
200-FOOT TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 179-2008

Docket No. 194-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

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

BOARD ORDER NO. 179-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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.
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½SW¼ OF SECTION 19
AND THE NW¼ OF SECTION 30, T27N-R20E,
BLAINE COUNTY, MONTANA, TO DRILL AN
EAGLE FORMATION GAS WELL
(THE US #19-14-27-20) AT A PROPOSED
LOCATION APPROXIMATELY 345' FSL AND
1370' FWL OF SAID SECTION 19 WITH A
200-FOOT TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO BOARD ORDER 45-76
(SAWTOOTH MOUNTAIN FIELD).

ORDER NO. 180-2008

Docket No. 195-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

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

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

BOARD ORDER NO. 180-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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.
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE E $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 34
AND THE W $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 35,
T31N-R17E AND THE NE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 3
AND THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 2, T30N-R17E,
IN BLAINE AND HILL COUNTIES, MONTANA,
TO DRILL A NIOBRARA FORMATION GAS WELL
(THE ROSS #35-13-31-17) AT A PROPOSED
LOCATION APPROXIMATELY 970' FSL AND
325' FWL OF SAID SECTION 35 WITH A 75-FOOT
TOLERANCE AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 181-2008

Docket No. 196-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

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

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

BOARD ORDER NO. 181-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
BAYSWATER EXPLORATION & PRODUCTION, LLC
TO CREATE A 320-ACRE TEMPORARY SPACING
UNIT COMPRISED OF THE E½ OF SECTION 11,
T1N-R21E, STILLWATER COUNTY, MONTANA, TO
DRILL A GAS TEST WELL TO TEST THOSE ZONES
FROM THE BASE OF THE VIRGELLE FORMATION
TO THE BASE OF THE BIG ELK FORMATION AT A
LOCATION 990' FNL AND 1980' FEL OF SAID
SECTION 11 AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 182-2008

Docket No. 197-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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. Ms. Thelma Nordahl, an unleased mineral owner in the proposed temporary spacing unit, was present to protest the application. Her main concerns were surface issues such as roads, water and CRP. She and her spokesman, son-in-law Pat Malaney, met with representatives of Bayswater Exploration & Production LLC during the Board's lunch recess and. Ms. Nordahl withdrew her protest when the Board reconvened.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 11, T1N-R21E, Stillwater County, Montana, is designated a 320-acre temporary spacing unit to drill a gas test well to test those zones and formations from the base of the Virgelle Formation to the base of the Big Elk Formation at a location 990' FNL and 1980' FEL of said Section 11 as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 182-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
BAYSWATER EXPLORATION & PRODUCTION, LLC
TO CREATE A 1280-ACRE OVERLAPPING
TEMPORARY SPACING UNIT COMPRISED OF ALL
OF SECTIONS 13 AND 24, T3N-R18E, SWEETGRASS
COUNTY, MONTANA, TO DRILL A LAKOTA
FORMATION GAS TEST WELL AT A LOCATION
500' FSL AND 2250' FEL OF SAID SECTION 13 AS
AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 183-2008

Docket No. 198-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 13 and 24, T3N-R18E, Sweetgrass County, Montana, are designated a 1280-acre overlapping temporary spacing unit to drill a Lakota Formation gas test well at a location 500' FSL and 2250' FEL of said Section 13 as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 183-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
BAYSWATER EXPLORATION & PRODUCTION, LLC
TO CREATE A 160-ACRE TEMPORARY SPACING
UNIT COMPRISED OF THE SE¼ OF SECTION 2,
T1N-R21E, STILLWATER COUNTY, MONTANA, TO
DRILL A GAS TEST WELL TO TEST THOSE ZONES
FROM THE BASE OF THE VIRGELLE FORMATION
TO THE BASE OF THE BIG ELK FORMATION AT A
LOCATION 660' FSL AND 1980' FEL OF SAID
SECTION 2 AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 184-2008

Docket No. 199-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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. Ms. Thelma Nordahl, an unleased mineral owner in the proposed temporary spacing unit and adjoining Tract 4, was present to protest the application. Her main concerns were surface issues such as roads, water and CRP. She and her spokesman, son-in-law Pat Malaney, met with representatives of Bayswater Exploration & Production LLC during the Board's lunch recess and Ms. Nordahl withdrew her protest when the Board reconvened.
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 SE¼ of Section 2, T1N-R21E, Stillwater County, Montana, is designated a 160-acre temporary spacing unit to drill a gas test well to test those zones and formations from the base of the Virgelle Formation to the base of the Big Elk Formation at a location 660' FSL and 1980' FEL of said Section 2 as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 184-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION COMPANY
TO AUTHORIZE A TOPOGRAPHIC TOLERANCE OF UP
TO 460 FEET TO BE APPLIED TO THE EXISTING
SETBACK REQUIREMENT OF 660 FEET FROM THE
EXTERIOR BOUNDARIES OF CEDAR CREEK UNITS 8A
AND 8B IN THE CEDAR CREEK GAS FIELD, FALLON
COUNTY, MONTANA, AS SET FORTH BY ORDERS
139-2001 AND 169-2001. [CEDAR CREEK FIELD]

ORDER NO. 185-2008

Docket No. 200-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 a topographic tolerance of up to 460 feet is hereby authorized to be applied to the existing setback requirement of 660 feet from the exterior boundaries of Cedar Creek Units 8A and 8B and from the boundaries of uncommitted tracts within said units.

BOARD ORDER NO. 185-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION COMPANY
TO ADD THE S½ OF SECTION 22, T10N-R58E, FALLON
COUNTY, MONTANA, TO THE CEDAR CREEK GAS
FIELD AND TO DESIGNATE SAID LANDS AS THE
PERMANENT SPACING UNIT FOR ALL EAGLE SAND
FORMATION WELLS DRILLED THEREON.

ORDER NO. 186-2008

Docket No. 201-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S½ of Section 22, T10N-R58E, Fallon County, Montana, is added to the Cedar Creek Gas Field and is designated as the permanent spacing unit for all Eagle Sand Formation wells drilled thereon.

BOARD ORDER NO. 186-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY TO POOL ALL INTERESTS IN
THE PERMANENT SPACING UNIT
COMPRISED OF LOTS 1 & 2, SE¼ (E½) OF
SECTION 6, T7N-R60E, FALLON COUNTY,
MONTANA, FOR DEVELOPMENT,
OPERATION AND PRODUCTION OF
NATURAL GAS FROM THE EAGLE SAND
FORMATION FROM THE FIDELITY NOS.
2418 AND 2420 WELLS.

ORDER NO. 187-2008

Docket No. 203-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Fidelity Exploration & Production Company is granted as applied for.

BOARD ORDER NO. 187-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY FOR AN ORDER CORRECTING
BOARD ORDER 135-97 WITH RESPECT TO
THE E½ AND SW¼ OF SECTION 31,
T33N-R32E, PHILLIPS COUNTY,
MONTANA, WHICH LIE WITHIN THE
EXTERIOR BOUNDARIES OF THE
BOWDOIN DOME UNIT AREA WITHIN
THE BOWDOIN GAS FIELD. APPLICANT
REQUESTS THE ORDER BE CHANGED TO
REFERENCE THE E½ AND SW¼ OF SAID
SECTION 31 INSTEAD OF THE INCORRECT
E½SW¼ OF SAID SECTION 31 AS IS
CURRENTLY REFLECTED IN BOARD
ORDER 135-97.

ORDER NO. 188-2008

Docket No. 204-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Fidelity Exploration & Production Company is granted as applied for.

BOARD ORDER NO. 188-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY TO POOL ALL INTERESTS IN
THE PERMANENT SPACING UNIT
COMPRISED OF LOTS 1 & 2, S½NE¼ (NE¼)
OF SECTION 2, T31N-R34E, VALLEY
COUNTY, MONTANA, FOR PRODUCTION
OF NATURAL GAS FROM ALL FORMATIONS
FROM THE TOP OF THE NIOBRARA TO THE
BASE OF THE MOWRY FORMATION FROM
THE FIDELITY #1302 WELL.

ORDER NO. 189-2008

Docket No. 205-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Fidelity Exploration & Production Company is granted as applied for.

BOARD ORDER NO. 189-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
NEWFIELD ROCKY MOUNTAINS TO POOL ALL
INTERESTS IN THE PERMANENT SPACING
UNIT CONSISTING OF LOTS 1 – 12, E½W½,
W½E½ (ALL) OF SECTION 30, T24N-R58E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES
IN ACCORDANCE WITH SECTION
82-11-202 (2), M.C.A.

ORDER NO. 190-2008

Docket No. 206-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Lots 1 – 12, E½W½, W½E½ (all) of Section 30, T24N-R58E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation through the Anderson Dynneson 1-30H well.

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

BOARD ORDER NO. 190-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
NEWFIELD ROCKY MOUNTAINS TO POOL ALL
INTERESTS IN THE PERMANENT SPACING
UNIT CONSISTING OF LOTS 1, 2, 3, 4, 5, 6,
S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ (ALL) OF SECTION 5 AND
LOTS 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (ALL) OF SECTION 6,
T21N-R60E, RICHLAND COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION AND TO AUTHORIZE RECOVERY
OF NON-CONSENT PENALTIES IN
ACCORDANCE WITH SECTION
82-11-202 (2), M.C.A.

ORDER NO. 191-2008

Docket No. 207-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Lots 1, 2, 3, 4, 5, 6, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ (all) of Section 5 and Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) of Section 6, T21N-R60E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation through the Bridgette 1-6H well.

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

BOARD ORDER NO. 191-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
NEWFIELD ROCKY MOUNTAINS TO ESTABLISH
A FIELD AND PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½ (ALL)
OF SECTION 4, T22N-R59E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 192-2008

Docket No. 52-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 4, T22N-R59E, Richland County, Montana, is designated a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 192-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
NEWFIELD ROCKY MOUNTAINS TO POOL ALL
INTERESTS IN THE PERMANENT SPACING
UNIT CONSISTING OF LOTS 1, 2, 3, 4, S½N½, S½
(ALL) OF SECTION 4, T22N-R59E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION OF
OIL AND ASSOCIATED NATURAL GAS FROM
THE BAKKEN FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES IN
ACCORDANCE WITH SECTION 82-11-202 (2), M.C.A.

ORDER NO. 193-2008

Docket No. 208-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 4, T22N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation through the Anderson 1-4H well.

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

BOARD ORDER NO. 193-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
SAGA PETROLEUM CORP. TO AMEND BOARD
ORDER 135-2008 TO PERMIT THE DRILLING A
FRONTIER FORMATION GAS WELL (THE
SCHLEIDERER #6-10R) AT A LOCATION
1980' FNL AND 1980' FWL OF SECTION 10,
T7S-R21E, CARBON COUNTY, MONTANA,
WITH A 350-FOOT TOPOGRAPHIC
TOLERANCE IN ANY DIRECTION EXCEPT
NORTH, AND A 75-FOOT TOPOGRAPHIC
TOLERANCE TO THE NORTH.

ORDER NO. 194-2008

Docket No. 209-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Saga Petroleum Corp. is granted as applied for.

BOARD ORDER NO. 194-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
SANDS OIL COMPANY TO CONVERT THE
HANSON #2 WELL (API #25-099-21226)
LOCATED IN THE SENESE OF SECTION 19,
T27N-R4W, TETON COUNTY, MONTANA,
(PONDERA FIELD) TO A CLASS II
INJECTION WELL IN THE MADISON
FORMATION.

ORDER NO. 195-2008

Docket No. 210-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Sands Oil Company is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 195-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
BIG SNOWY RESOURCES, LP TO CREATE A
FIELD FOR PRODUCTION OF NATURAL
GAS FROM ALL ZONES AND FORMATIONS
COMPRISED OF THE SW¹/₄ OF SECTION 5,
THE S¹/₂ OF SECTION 6, THE E¹/₂ OF
SECTION 7 AND THE W¹/₂ OF SECTION 8,
T3S-R25E, YELLOWSTONE COUNTY,
MONTANA; TO ESTABLISH 40-ACRE
PERMANENT SPACING UNITS WITH 320-FOOT
SETBACKS WITHIN SAID FIELD; AND TO
AUTHORIZE THE COMMINGLING OF GAS
PRODUCED FROM DIFFERENT ZONES AND
FORMATIONS IN THE WELLBORE.

ORDER NO. 196-2008

Docket No. 211-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Doug Howard was present to protest the application on behalf of his interest-owner clients: the Markegards, Jennie Waggoner, and Ann Fox, and the surface owner Spring Creek Resources. Their concern is that applicant wants to go from 640-acre statewide spacing to 40-acre permanent spacing before commercial quantities of gas is proven.
3. Staff said the 40-acre spacing is too small, the request for permanent spacing is premature, and recommended that the SW¹/₄ of Section 6 be excluded from the proposed field.
4. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the following temporary spacing units are established in Yellowstone County, Montana, for production of gas from all zones and formations:

T3S-R25E
Section 5: SW¹/₄
Section 6: SE¹/₄
Section 7: NE¹/₄; SE¹/₄
Section 8: NW¹/₄; SW¹/₄

BOARD ORDER NO. 196-2008

IT IS FURTHER ORDERED that gas may be commingled downhole but no more than one well may be completed in each producing zone or formation within each spacing unit.

IT IS FURTHER ORDERED that wells are to be located no closer than 330 feet to spacing unit boundaries.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
CREATE A TEMPORARY SPACING UNIT FOR
THE EAGLE FORMATION COMPRISED OF
THE SW $\frac{1}{4}$ OF SECTION 28, THE SE $\frac{1}{4}$ OF
SECTION 29, THE NE $\frac{1}{4}$ OF SECTION 32 AND
THE NW $\frac{1}{4}$ OF SECTION 33, T34N-R14E, HILL
COUNTY, MONTANA, TO DRILL AN EAGLE
FORMATION TEST WELL ANYWHERE
WITHIN SAID TEMPORARY SPACING UNIT
BUT NOT CLOSER THAN 990 FEET TO THE
EXTERIOR BOUNDARIES THEREOF.

ORDER NO. 197-2008

Docket No. 212-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 SW $\frac{1}{4}$ of Section 28, the SE $\frac{1}{4}$ of Section 29, the NE $\frac{1}{4}$ of Section 32 and the NW $\frac{1}{4}$ of Section 33, T34N-R14E, Hill County, Montana, are designated a temporary spacing unit to drill an Eagle Formation test well anywhere within said spacing unit but not closer than 990 feet to the exterior boundaries thereof.

BOARD ORDER NO. 197-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY
TO CREATE A 640-ACRE TEMPORARY
SPACING UNIT COMPRISED OF THE SW $\frac{1}{4}$
OF SECTION 29, THE SE $\frac{1}{4}$ OF SECTION 30,
THE NE $\frac{1}{4}$ OF SECTION 31 AND THE NW $\frac{1}{4}$
OF SECTION 32, T34N-R14E, HILL COUNTY,
MONTANA, TO DRILL A NIOBRARA
FORMATION TEST WELL IN THE NE $\frac{1}{4}$ OF
SAID SECTION 31 AT A LOCATION 700' FNL
AND 630' FEL WITH A 75-FOOT
TOPOGRAPHIC TOLERANCE AS AN
EXCEPTION TO A.R.M. 36.22.702 AND
BOARD ORDER 344-2003.

ORDER NO. 198-2008

Docket No. 213-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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. Board Order 344-2003 is not applicable to the Niobrara Formation.
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 SW $\frac{1}{4}$ of Section 29, the SE $\frac{1}{4}$ of Section 30, the NE $\frac{1}{4}$ of Section 31 and the NW $\frac{1}{4}$ of Section 32, T34N-R14E, Hill County, Montana, are designated a 640-acre temporary spacing unit to drill a Niobrara Formation test well in the NE $\frac{1}{4}$ of said Section 31 at a location 700' FNL and 630' FEL with a 75-foot topographic tolerance as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 198-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY
TO CREATE A TEMPORARY SPACING UNIT
COMPRISED OF THE S½ OF SECTION 13,
T34N-R14E, HILL COUNTY, MONTANA, TO
DRILL TWO EAGLE FORMATION TEST
WELLS IN SAID SECTION 13 WITH THE
WELLS TO BE LOCATED ANYWHERE
WITHIN SAID TEMPORARY SPACING UNIT
BUT NOT CLOSER THAN 660 FEET TO THE
EXTERIOR BOUNDARIES THEREOF, AS AN
EXCEPTION TO A.R.M. 36.22.702 AND
BOARD ORDER 32-2006.

ORDER NO. 199-2008

Docket No. 214-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 S½ of Section 13, T34N-R14E, Hill County, Montana, is designated a temporary spacing unit for the purpose of drilling two Eagle Formation test wells in the S½ of said Section 13 with the wells to be located anywhere within said temporary spacing unit but not closer than 660 feet to the exterior boundaries thereof, as an exception to A.R.M. 36.22.702 and Board Order 32-2006.

IT IS FURTHER ORDERED that applicant shall return for permanent spacing within 90 days of first production.

BOARD ORDER NO. 199-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
AMEND BOARD ORDER 24-2004 TO CREATE A
320-ACRE EAGLE FORMATION TEMPORARY
SPACING COMPRISED OF THE SE¹/₄ OF
SECTION 10 AND THE NE¹/₄ OF SECTION 15,
T35N-R18E, BLAINE COUNTY, MONTANA, TO
DRILL AN EAGLE FORMATION GAS WELL
ANYWHERE WITHIN SAID TEMPORARY
SPACING UNIT BUT NOT CLOSER THAN 660
FEET TO THE EXTERIOR BOUNDARIES
THEREOF.

ORDER NO. 200-2008

Docket No. 215-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Don Lee, representing Omimex Resources, Inc. (Omimex) testified his client is concerned how the spacing unit being requested and the well to be drilled will affect its well in the SW¹/₄NE¹/₄ of Section 10, which was drilled under statewide 640-acre spacing.
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 a 320-acre temporary spacing unit comprised of the SE¹/₄ of Section 10 and the NE¹/₄ of Section 15, T35N-R18E, Blaine County, Montana, is hereby created.

BOARD ORDER NO. 200-2008

IT IS FURTHER ORDERED that applicant is authorized to drill an Eagle Formation gas well in the N½ of the NE¼ of Section 15, T35N-R18E, Blaine County, Montana, at a location no closer than 660 feet to the exterior boundaries of the temporary spacing unit.

IT IS FURTHER ORDERED that the temporary spacing unit authorized in this Order is separate and distinct from the statewide spacing unit for the existing Omimex well in Section 10, T35N-R18E, Blaine County, Montana, and is established for the specific feature identified in the submitted hearing exhibits.

IT IS FURTHER ORDERED that applicant shall return for permanent spacing within 90 days of initial production.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY
TO CREATE A 320-ACRE PERMANENT
SPACING UNIT FOR THE EAGLE
FORMATION COMPRISED OF THE S $\frac{1}{2}$ S $\frac{1}{2}$
OF SECTION 8 AND THE N $\frac{1}{2}$ N $\frac{1}{2}$ OF
SECTION 17, T35N-R18E, BLAINE
COUNTY, MONTANA, AND TO
DESIGNATE APPLICANT'S HANSEL
8-35-18B WELL AS THE AUTHORIZED
WELL FOR SAID SPACING UNIT.

ORDER NO. 201-2008

Docket No. 216-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 8 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17, T35N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of natural gas from the Eagle Formation.

IT IS FURTHER ORDERED that applicant's Hansel 8-35-18B well as the authorized well for said spacing unit.

BOARD ORDER NO. 201-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
AMEND BOARD ORDER 200-2006 TO ALLOW
THE DRILLING OF AN ADDITIONAL EAGLE
FORMATION GAS WELL IN THE
TEMPORARY SPACING UNIT COMPRISED
OF THE S½SE¼ OF SECTION 18 AND THE
N½NE¼ OF SECTION 19, T34N-R19E, BLAINE
COUNTY, MONTANA, SAID WELL TO BE
DRILLED ANYWHERE WITHIN SAID
TEMPORARY SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE EXTERIOR
BOUNDARIES THEREOF.

ORDER NO. 202-2008

Docket No. 217-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 applicant modified its application to request authority to drill the well authorized by Board 200-2006 at a different location.
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 Board Order 200-2006 is amended to authorize the drilling of the proposed Eagle Formation gas test well in the temporary spacing unit comprised of the S½SE¼ of Section 18 and the N½NE¼ of Section 19, T34N-R19E, Blaine County, Montana, at a location anywhere in said temporary spacing unit but not closer than 660 feet to the exterior boundaries thereof.

IT IS FURTHER ORDERED that an application for permanent spacing be made within 90 days of first production from the authorized well.

BOARD ORDER NO. 202-2008

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
DRILL AN ADDITIONAL EAGLE FORMATION
GAS TEST WELL IN SECTION 13, T34N-R18E,
BLAINE COUNTY, MONTANA, AT A
LOCATION NOT LESS THAN 990 FEET FROM
THE EXTERIOR BOUNDARIES OF SAID
SECTION 13 AS AN EXCEPTION TO BOARD
ORDERS 151-2001 AND 216-2003 AND
A.R.M. 36.22.702.

ORDER NO. 203-2008

Docket No. 218-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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, staff noted that applicant needs to return for permanent spacing for the 320-acre temporary spacing unit comprised of the W $\frac{1}{2}$ of Section 18, T34N-R19E, Blaine County, Montana, which adjoins the spacing unit containing the additional well requested in this application and authorized in Board Order 26-2002.
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 J. Burns Brown Operating Company is authorized to drill an additional Eagle Formation gas test well in Section 13, T34N-R18E, Blaine County, Montana, anywhere within the N $\frac{1}{2}$ of said Section 13 but not closer than 990 feet to the section boundaries.

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. 203-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
DRILL AN ADDITIONAL EAGLE FORMATION
GAS TEST WELL IN SECTION 30, T35N-R15E,
HILL COUNTY, MONTANA, AT A LOCATION
NOT LESS THAN 990 FEET FROM THE
EXTERIOR BOUNDARIES OF SAID SECTION
30 AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 204-2008

Docket No. 219-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 J. Burns Brown Operating Company is granted as applied for.

BOARD ORDER NO. 204-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
J. BURNS BROWN OPERATING COMPANY TO
DRILL AN ADDITIONAL EAGLE FORMATION
GAS TEST WELL IN SECTION 7, T32N-R15E,
HILL COUNTY, MONTANA, AS AN
INCREASED DENSITY WELL AS AN
EXCEPTION TO THE TIGER RIDGE FIELD
RULES.

ORDER NO. 205-2008

Docket No. 220-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 J. Burns Brown Operating Company is authorized to drill an additional Eagle Formation gas test well in Section 7, T32N-R15E, Hill County, Montana, as an increased density well and as an exception to the Tiger Ridge Field rules.

IT IS FURTHER ORDERED that said well be located no closer than 990 feet to spacing unit boundaries.

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. 205-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
SOLOMON EXPLORATION, INC. TO DRILL
AN ADDITIONAL EAGLE SAND
FORMATION GAS WELL IN THE SPACING
UNIT COMPRISED OF SECTION 31,
T31N-R17E, HILL COUNTY, MONTANA, AT
A LOCATION 300' FNL AND 1300' FWL OF
SAID SECTION 31 WITH A 75-FOOT
TOLERANCE IN ANY DIRECTION FOR
TOPOGRAPHIC REASONS.
(TIGER RIDGE FIELD)

ORDER NO. 206-2008

Docket No. 221-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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, attorney John Lee representing Devon Energy Production Company, L.P. (Devon), said Devon has an offsetting leasehold to the north of the proposed location (in adjoining Section 30) and would like production proceeds suspended until a border agreement is reached or until applicant returns to the Board.
3. At the hearing Pascual Laborda of the BLM, which has the minerals in said Section 30, testified he has the same concerns as Devon.
4. Applicant's attorney Richard Beatty testified that applicant was agreeable with the suspense of production proceeds to protect correlative rights of interest owners in said Section 30.
5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Solomon Exploration, Inc. is authorized to drill an additional Eagle Sand Formation gas well in the spacing unit comprised of Section 31, T31N-R17E, Hill County, Montana, at a location 300' FNL and 1300' FWL of said Section 31 with a 75-foot tolerance in any direction for topographic reasons.

IT IS FURTHER ORDERED that distribution of production proceeds be withheld until Board staff receives notification that a border agreement is in place with interest owners in adjoining Section 30.

BOARD ORDER NO. 206-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
NEWFIELD ROCKY MOUNTAINS TO POOL
ALL INTERESTS IN THE PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTIONS 35 AND 36, T23N-R58E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION, AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES
IN ACCORDANCE WITH SECTION
82-11-202 (2), M.C.A.

ORDER NO. 207-2008

Docket No. 415-2007

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 35 and 36, T23N-R58E, Richland County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation through applicant's Oscar 1-35 well.

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

BOARD ORDER NO. 207-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
MISSOURI BASIN WELL SERVICE, INC. TO
DESIGNATE LOTS 1, 2, 3, 4 (ALL) OF
SECTION 4 AND ALL OF SECTION 9,
T24N-R59E, RICHLAND COUNTY,
MONTANA, AS A PERMANENT SPACING
UNIT FOR THE BAKKEN FORMATION AND
TO DESIGNATE APPLICANT'S DELORES
1-4H WELL AS THE AUTHORIZED WELL
FOR SAID SPACING UNIT.

ORDER NO. 208-2008

Docket No. 27-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Lots 1, 2, 3, 4 (all) of Section 4 and all of Section 9, T24N-R59E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Delores 1-4H well is the authorized well for said spacing unit.

BOARD ORDER NO. 208-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, 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
MISSOURI BASIN WELL SERVICE, INC. TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL IN THE SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4 (ALL) OF
SECTION 4 AND ALL OF SECTION 9, T24N-R59E,
RICHLAND COUNTY, MONTANA, WITH SUCH
LATERAL TO BE LOCATED NO CLOSER THAN
660 FEET TO THE EXTERIOR BOUNDARIES OF
SAID SPACING UNIT.

ORDER NO. 209-2008

Docket No. 28-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of May, 2008 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 Missouri Basin Well Service, Inc. is authorized to drill an additional horizontal Bakken Formation well in the spacing unit comprised of Lots 1, 2, 3, 4 (all) of Section 4 and all of Section 9, T24N-R59E, Richland County, Montana, with said lateral to be located no closer than 660 feet to the exterior boundaries of said spacing unit.

BOARD ORDER NO. 209-2008

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of May, 2008.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Joan Duffield, Board Member

Ronald S. Efta, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

