

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
SIDNEY, MONTANA
July 30 & 31, 2008

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold its regular business meeting at 2:00 p.m., Wednesday, July 30, 2008, at the Elks Lodge at 123 3rd St SW in Sidney, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of May 28, 2008 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Default docket
7. Staff reports
8. Other business

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m. Thursday, July 31, 2008, at the Elks Lodge at 123 3rd St SW in Sidney, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6970 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket 222-2008

APPLICANT: NORTHERN OIL PRODUCTION, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Northern Oil Production, Inc.** to vacate Board Orders 41-1997 and 139-1997, to re-establish the W½ of Section 33, T35N-R58E, Sheridan County, Montana, as the permanent spacing unit for the Red River Formation, and to designate the Teal-Peterson 33-12 well as the only well authorized to produce from the Red River Formation in said permanent spacing unit.

Docket 223-2008

APPLICANT: FLYING J OIL & GAS INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Flying J Oil & Gas Inc.** to designate the S½ of Section 17, T36N-R53E, Sheridan County, Montana, as a 320-acre permanent spacing unit for production of oil and associated natural gas from the Nisku Formation and to designate applicant's Powers 13N-17H well as the authorized well for said spacing unit.

Docket 224-2008

APPLICANT: FLYING J OIL & GAS INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Flying J Oil & Gas Inc.** to pool all interests in the permanent spacing unit comprised of the S½ of Section 17, T36N-R53E, Sheridan County, Montana, on the basis of surface acreage for Nisku Formation oil and associated natural gas production from the Powers 13N-17H well and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 225-2008

APPLICANT: MCR, LLC - TETON COUNTY, MONTANA

Upon the application of **MCR, LLC** to deepen the Rice 1-26 well (API # 25-099-21219) located in the NWSW of Section 26, T27N-R5W, Teton County, Montana (Pondera Field). This well is a permitted Madison Formation disposal well at a total depth of 2252 feet, which will be drilled an additional 300 feet in the Madison Formation, to a total depth of 2552 feet. 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 226-2008

APPLICANT: MCR, LLC - PONDERA COUNTY, MONTANA

Upon the application of **MCR, LLC** to convert the Erickson A6 well (API # 25-073-05248) located in the NENWNE of Section 10, T27N-R4W, Pondera County, Montana, (Pondera Field) to a Class II injection well in the Madison 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 227-2008

APPLICANT: MCR, LLC - PONDERA COUNTY, MONTANA

Upon the application of **MCR, LLC** to convert the Walston 2 well (API # 25-073-60046) located in the SESW of Section 2, T27N-R4W, Pondera County, Montana, (Pondera Field) to a Class II injection well in the Madison 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 228-2008

APPLICANT: MCR, LLC - PONDERA COUNTY, MONTANA

Upon the application of **MCR, LLC** to convert the Erickson 2 well (API # 25-073-05255) located in the SESWSW of Section 2, T27N-R4W, Pondera County, Montana, (Pondera Field) to a Class II injection well in the Madison 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 229-2008

APPLICANT: CLINE PRODUCTION COMPANY - MUSSELSHELL COUNTY, MONTANA

Upon the application of **Cline Production Company** to expand the injection zone in the Swinney #2 saltwater disposal well (API # 25-065-05119) located in the SESE of Section 22, T10N-R29E, Musselshell County, Montana (Melstone Field). This well is a Tyler Formation disposal well permitted in the interval 4261-4289 feet. The new injection zone will include the Tyler Formation from 4260 – 4261 feet and 4289 – 4330 feet. Staff notes this application is eligible for placement on the Default Docket.

Docket 230-2008

APPLICANT: PINNACLE GAS RESOURCES, INC. – POWDER RIVER COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to delineate the following described lands in Powder River County, Montana, as a field (Otter Creek Field) for production of coal bed natural gas from all coal bed zones from the surface to the base of the Fort Union Formation.

T9S-R26E

Section 8: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 10: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 15: W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 16: All

Section 17: E $\frac{1}{2}$ NE $\frac{1}{4}$

Section 21: All

Section 22: All

Section 23: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$

Section 24: All

Section 25: All

Section 26: All

Section 27: All

Section 28: All

Section 29: W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 30: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 31: Lots 11-18, E $\frac{1}{2}$ NE $\frac{1}{4}$

Section 32: All

Section 33: All

Section 34: All

Section 35: All

Applicant further requests that field rules provide for 80-acre spacing units with 220-foot setbacks, and that commingling in the wellbore of gas produced from different coal beds be authorized.

APPLICANT: PINNACLE GAS RESOURCES, INC. – POWDER RIVER COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** for approval of its Otter Creek Plan of Development (POD) for coal bed natural gas exploration and development on the following described lands in Powder River County, Montana.

T9S-R26E
Section 8: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 10: W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 15: W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 16: All
Section 17: E $\frac{1}{2}$ NE $\frac{1}{4}$
Section 21: All
Section 22: All
Section 23: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 30: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 31: Lots 11-18, E $\frac{1}{2}$ NE $\frac{1}{4}$
Section 32: All
Section 33: All
Section 34: All
Section 35: All

Applicant proposes to drill and develop the above-described lands with coal bed natural gas well densities greater than one well per 640 acres, and will submit the project POD to Board staff prior to the hearing.

Docket 232-2008 and 11-2008 FED

APPLICANT: SINCLAIR OIL & GAS COMPANY – RICHLAND COUNTY, MONTANA

Upon the application of **Sinclair Oil & Gas Company** for an order vacating Board Order 427-2005 and Federal Order 2-2006 FED which created the temporary spacing unit comprised of Sections 2 and 11, T27N-R53E, Richland County, Montana; and to designate a new temporary spacing unit comprised of all of Sections 11 and 14, T27N-R53E, Richland County, Montana; and to authorize the drilling of a horizontal Bakken Formation well thereon at any location not closer than 660 feet to the new temporary spacing unit boundaries. Applicant will apply for permanent spacing within 90 days of successful completion of a well in the proposed temporary spacing unit and requests placement on the Default Docket with automatic continuance in the event a protest or request to hear is received.

Docket 233-2008

APPLICANT: SHAKESPEARE OIL COMPANY, INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Shakespeare Oil Company, Inc.** to pool all tracts in the permanent spacing unit comprised of the W½ of Section 14, T36N-R54E, Sheridan County, Montana, on the basis of surface acreage for production of Red River Formation oil and associated natural gas from the Collins #1-14 well, and to authorize recovery of non-jointer penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 234-2008

APPLICANT: SAGA PETROLEUM CORP. – CARBON COUNTY, MONTANA

Upon the application of **Saga Petroleum Corp.** to amend Board Order 133-2008 to permit the drilling of the Dry Creek #2-15-721 well at a location 430' FSL and 2182' FEL of Section 2, T7S-R21E, Carbon County, Montana, with a 25-foot topographic tolerance. Board Order 133-1008 created a temporary spacing unit to drill said well at a location 430' FSL and 2000' FEL of said Section 2 with a 100-foot topographic tolerance. The requested amendment to Board Order 133-2008 is necessary due to surface conditions at the original proposed location which cause the new location to be out of compliance. Applicant requests placement on the Default Docket.

Docket 235-2008 and 12-2008 FED

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – ROOSEVELT COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a permanent spacing unit comprised of all of Section 19, T30N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation thereunder.

Docket 236-2008

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. - ROOSEVELT COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a permanent spacing unit comprised of the N½ and SE¼ of Section 17, T29N-R59E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation thereunder.

Docket 237-2008

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. - ROOSEVELT COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to pool all interests in the spacing unit comprised of the N½ and SE¼ of Section 17, T29N-R59E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. with respect to the Interceptor 1-17H well.

Docket 238-2008

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to pool all interests in the spacing unit comprised of all of Section 32, T26N-R55E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. with respect to the Comet #1-32H well.

Docket 239-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a 320-acre temporary spacing unit comprised of the NW¼ of Section 25 and the NE¼ of Section 26, T26N-R55E, Richland County, Montana, to drill a Red River Formation test well at a location 1170' FNL and 2130' FEL of said Section 26 with a 75-foot tolerance in any direction except east for topographic reasons as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 240-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of Lots 1, 2, 3, 4 (all) of Section 1 and all of Section 12, T24N-R56E, Richland County, Montana, and to designate applicant's Rachel 1-12H well as the authorized well for said spacing unit.

Docket 241-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of Lots 1, 2, 3, 4 (all) of Section 1 and all of Section 12, T24N-R56E, Richland County, Montana, on the basis of surface acreage for production from the Bakken Formation from the Rachel 1-12H well and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A..

Docket 242-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Section 25, T26N-R54E, Richland County, Montana, and to designate applicant's Finnicum 1-25H well as the authorized well for said spacing unit.

Docket 243-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 7 and 18, T23N-R56E, Richland County, Montana, on the basis of surface acreage for Bakken Formation production from the Constance 1-7H well and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A..

Docket 244-2008

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 7 and 18, T23N-R56E, Richland County, Montana, on the basis of surface acreage for Bakken Formation production from the Constance 3-7H well and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A..

Docket 245-2008

APPLICANT: TARGE ENERGY EXPLORATION AND PRODUCTION LLC - TOOLE COUNTY, MONTANA

Upon the application of **Targe Energy Exploration and Production, LLC** to vacate Board Order 204-2001, which established permanent spacing units comprised of the N½ and S½ of Section 19, T34N-R1E, Toole County, Montana, for production of natural gas from all horizons above the Rierdon Formation, and to re-establish that the E½ and W½ be designed permanent spacing units in said Section 19 as per Board Order 8-1990 which added the lands to the East Kevin Gas Field. Applicant states that evidence and exhibits in support of the application will be provided in affidavit form and requests that any protest to this application be filed with the Board at least five days prior to the date of the hearing.

Docket 246-2008

APPLICANT: IOFINA NATURAL GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Iofina Natural Gas, Inc.** to create 160-acre temporary spacing units for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations upon the following described lands in Hill County, Montana.

T36N-R11E
Section 26: All
Section 27: All
Section 35: All

T35N-R11E
Section 9: All

Applicant requests placement on the Default Docket.

Docket 247-2008

APPLICANT: IOFINA NATURAL GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Iofina Natural Gas, Inc.** to drill the following seven wells in Hill County, Montana, as Class II injection wells in the Eagle, Virgelle, Bow Island, Dakota, Kootenai, Swift, Sawtooth and Madison Formations. An aquifer exemption is being requested as part of the application, as water in the proposed injection zones contains less than 10,000 mg/l total dissolved solids.

IOFINJ #3 well in the C NE of Section 26, T36N-R11E
IOFINJ #4 well in the C SE of Section 26, T36N-R11E
IOFINJ #8 well in the C SE of Section 29, T36N-R11E
IOFINJ #9 well in the C NE of Section 34, T36N-R11E
IOFINJ #10 well in the C NW of Section 2, T35N-R11E
IOFINJ #13 well in the C SW of Section 3, T35N-R11E
IOFINJ #15 well in the C SE of Section 9, T35N-R11E

Docket 248-2008

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the W½ of Section 2 and the E½ of Section 3, T25N-R17E, Blaine County, Montana, to drill a gas well (the Boggess-DIR-02-12-25-17) at an approximate location 2361' FNL and 833' FWL (surface hole location) and 2510' FSL and 150' FWL (bottom hole location) of said Section 2 as an exception to A.R.M. 36.22.702 and Board Order 4-1983. Applicant requests placement on the Default Docket.

Docket 249-2008 and 13-2008 FED

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to amend Order 24-2002 FED to authorize the production of gas from the Judith River Formation through the wellbore of the Rocky Boy 18-04-29-15 well located 689' FNL and 961' FWL of Section 18, T29N-R15E, Hill County, Montana. Order 24-2002 FED currently limits production to the Eagle Formation.

Docket 250-2008

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to pool all interests in the spacing unit comprised of the SW¼SE¼ and SE¼SW¼ of Section 14 and the NW¼NE¼ and NE¼NW¼ of Section 23, T27N-R18E, Blaine County, Montana, for production of natural gas from the Eagle Formation through the wellbore of the Moore-DIR #14-15A-27-18 well.

Docket 251-2008

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the US-DIR-25-11-25-17) at an approximate location 1800' FNL and 1470' FWL (surface hole location) and 2280' FSL and 1460' FWL (bottom hole location) of Section 25, T25N-R17E, Blaine County, Montana, (said tract also comprises PA "B" of the Huebschwerlen Unit) as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 252-2008

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the US-DIR-25-10A-25-17) at an approximate location 1873' FSL and 481' FEL (surface hole location) and 1375' FSL and 1600' FEL (bottom hole location) of Section 25, T25N-R17E, Blaine County, Montana, (said tract also comprises PA "B" of the Huebschwerlen Unit) as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 253-2008

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the US-DIR-25-03-25-17) at an approximate location 118' FSL and 2567' FEL (surface hole location) in Section 24, T25N-R17E, Blaine County, Montana, and 950' FNL and 2545' FWL (bottom hole location) of Section 25, T25N-R17E, Blaine County, Montana, (lands in said Section 25 also comprise PA "B" of the Huebschwerlen Unit) as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 254-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 2 and 11, T24N-R53E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 255-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Section 25, T24N-R53E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 256-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 6 and 7, T24N-R53E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 257-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 16 and 21, T25N-R52E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 258-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 25 and 36, T25N-R52E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 259-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 26 and 35, T25N-R52E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 260-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 27 and 34, T25N-R52E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 261-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 3 and 10, T25N-R52E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 262-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Section 19, T25N-R53E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 263-2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to drill an additional horizontal Bakken Formation well in the permanent spacing unit consisting of all of Sections 29 and 32, T25N-R53E, Richland County, Montana, said well to be located anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 264-2008

APPLICANT: DL ENERGY, L.L.C. - VALLEY COUNTY, MONTANA

Upon the application of **DL ENERGY, L.L.C.** to create a permanent spacing unit comprised of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and the S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, T32N-R35E, Valley County, Montana, for all formations to the base of the Belle Fourche Formation and to designate the Loran Albus L.A.B. #2 well as the authorized well for said spacing unit.

Docket 265-2008

APPLICANT: DL ENERGY, L.L.C. - VALLEY COUNTY, MONTANA

Upon the application of **DL ENERGY, L.L.C.** to create a permanent spacing unit comprised of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23, T31N-R34E, Valley County, Montana, for the Bowdoin and Phillips Formations and to designate the First Creek Ranch #1 well as the authorized well for said spacing unit.

Docket 266-2008

APPLICANT: DL ENERGY, L.L.C. - VALLEY COUNTY, MONTANA

Upon the application of **DL ENERGY, L.L.C.** to pool all tracts in the spacing unit comprised of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23, T31N-R34E, Valley County, Montana, on the basis of surface acreage for the Bowdoin and Phillips Formations and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A..

Docket 267-2008

APPLICANT: ST. MARY LAND & EXPLORATION COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **St. Mary Land & Exploration Company** to approve and certify the W.E. McChesney 2 well (API # 25-083-21645) in Section 7, T22N-R58E, Richland County, Montana, as a horizontally recompleted well entitled to applicable production tax reductions and to certify decline rates from 2005 to calculate the incremental production from said well. Staff notes this application is eligible for placement on the Default Docket.

Docket 268-2008

APPLICANT: HEADINGTON OIL COMPANY LLC - RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil Company LLC** to pool all interests in the spacing unit comprised of all of Section 25, 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., with respect to the Rau #11X-25R well.

Docket 269-2008

APPLICANT: HEADINGTON OIL COMPANY LLC - RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil Company LLC** to pool all interests in the spacing unit comprised of the W $\frac{1}{2}$ of Section 17 and the E $\frac{1}{2}$ of Section 18, 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., with respect to the Sorensen # 24X-17 well.

Docket 270-2008

APPLICANT: HEADINGTON OIL COMPANY LLC - RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil Company LLC** to pool all interests in the spacing unit comprised of all of Sections 19 and 20, T22N-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., with respect to the Scheetz # 31X-19 well.

Docket 271-2008

APPLICANT: HEADINGTON OIL COMPANY LLC - RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil Company LLC** to pool all interests in the spacing unit comprised of Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) of Section 31, T24N-R55E and Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (all) of Section 6, T23N-R55E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and to authorize recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Williams # 41X-31 well.

Docket 272-2008

APPLICANT: NORTH AMERICAN EXPLORATION LLC – POWDER RIVER COUNTY, MONTANA

Upon the application of **North American Exploration LLC** to create a temporary spacing unit comprised of the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17, T6S-R52E, Powder River County, Montana, to drill a Red River Formation test well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant states that permanent spacing will be requested within 90 days of successful completion of a well drilled in the proposed temporary spacing unit and requests placement on the Default Docket with automatic continuance in the event a protest or request to hear is received.

Docket 160-2008
Continued from May 2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP LP – RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP LP** for authority to produce its BR 11-17H 28 horizontal Bakken Formation well with a bottom location 657.49' FNL and 759.48' FEL of Section 17, T22N-R58E, Richland County, Montana, as an exception to Order 288-2007 which established a 640-acre permanent spacing unit consisting of all of said Section 17 for Bakken Formation oil and gas production and required a 660-foot setback from section lines.

Docket 161-2008
Continued from May 2008

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP LP – RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP LP** to establish a field and permanent spacing unit comprised of all of Section 3, T21N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and for authorization to produce its BR 41-3H 19 horizontal multi-lateral well with a bottom hole location 647.99' FSL and 771.55' FWL of said Section 3.

Docket 162-2008
Continued from May 2008

APPLICANT: SHAKESPEARE OIL COMPANY, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Shakespeare Oil Company** to create a 320-acre permanent spacing unit comprised of the W½ of Section 14, T36N-R54E, Sheridan County, Montana, to drill a Red River Formation well under authority of A.R.M. 36.22.607 at a location 700' FWL and 2350' FNL of said Section 14. Applicant requests placement on the Default Docket.

Docket 163-2008
Continued from May 2008

APPLICANT: HEADINGTON OIL COMPANY LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil Company LLC** to create a field and permanent spacing unit comprised of all of Sections 10 and 11, T22N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation through the wellbore of the Patricia #41X-15 well.

Docket 202-2008
Continued from May 2008

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY - FALLON COUNTY, MONTANA

Upon the application of **Fidelity Exploration & Production Company** to amend Board Order 267-2003 by re-delineating the permanent spacing unit authorized therein to be comprised of the W½NW¼, SE¼NW¼ of Section 12, T7N-R59E, Fallon County, Montana; and to authorize the drilling, completion and production of up to three (3) Eagle Sand Formation natural gas wells thereon with a topographic tolerance of up to 460 feet for each well drilled.

Docket 273-2007
SHOW-CAUSE HEARING

RESPONDENT: B.C. JAM, INC. - TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **B.C. Jam, Inc.** to appear and show cause, if any it has, why its bond should not be forfeited or other penalties applied for failure to plug and abandon the Nadeau 15 well (API # 25-101-23183) located in the NE¼SW¼SW¼ of Section 15, T31N-R3W, Toole County, Montana.

Docket 274-2007
SHOW-CAUSE HEARING

RESPONDENT: HUMES OIL COMPANY - GLACIER COUNTY, MONTANA

Upon the Board's own motion to require **Humes Oil Company** to appear and show cause, if any it has, why its bond should not be forfeited or other penalties applied for failure to plug and abandon two wells in Glacier County, Montana: the Coman-Humes #2 well (API # 25-035-21744) located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, T36N-R6W and the Coman-Humes #1 well (API # 25-035-21708) located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, T36N-R6W.

BOARD OF OIL AND GAS CONSERVATION

Terri H. Perrigo
Executive Secretary