

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
HAVRE, MONTANA  
September 10 and 11, 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, September 10, 2008, in the Olympic Room at the Duck Inn in Havre, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of July 30, 2008 business meeting
3. Employee Awards
4. Opportunity for public comment
5. Request for reconsideration of Humes Oil Company bond forfeiture
6. Bond report
7. Financial report
8. Default docket
9. Staff reports
10. 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, September 11, 2008, in the Olympic Room at the Duck Inn in Havre, 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 275-2008

**APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **MCR, LLC** to enlarge the West Butte Oil and Gas Field to include the W $\frac{1}{2}$  of Section 9, T36N-R2E, Toole County, Montana, and to permit production of natural gas from the Sawtooth and the Madison Formations to be commingled.

Docket 276-2008

**APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **MCR, LLC** to pool all interests in the permanent spacing unit comprised of the W $\frac{1}{2}$  of Section 9, T36N-R2E, Toole County, Montana, for production of natural gas and associated liquid hydrocarbons from the Sawtooth and the Madison formations thereunder. Applicant waives its right to request risk penalties.

Docket 277-2008

**APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **MCR, LLC** to convert the Berthelote #43-8A well (API #25-101-24002) located in the NW¼SE¼ of Section 8, T36N-R2E, Toole County, Montana, (West Butte Field) to a Class II injection well for disposal of produced water into the 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 278-2008

**APPLICANT: ALTAMONT OIL & GAS, INC. – PONDERA COUNTY, MONTANA**

Upon the application of **Altamont Oil & Gas, Inc.** to enlarge the Lake Frances Field to include all of Sections 7, 19, and 30, T29N-R5W and all of Sections 12, 13, and 24, T29N-R6W, Pondera County, Montana.

Docket 279-2008

**APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY – BIG HORN COUNTY, MONTANA**

Upon the application of **Fidelity Exploration & Production Company** for an exception to field rules to drill two wells at the following locations in CX Field in Big Horn County, Montana: in the S½NW¼ of Section 2, T9S-R41E at a location approximately 166' FEL of said Section 2, and in the SW¼ of Section 5, T9S-R41E at a location approximately 218' FEL of said Section 5. Applicant requests placement on the Default Docket with automatic continuance in the event of a protest.

Docket 280-2008

**APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA**

Upon the application of **J. Burns Brown Operating Company** to create a temporary spacing unit comprised of the N½ of Section 9, T35N-R17E, Hill County, Montana, to drill a well to the Eagle and Niobrara Formations anywhere within said temporary spacing unit but not closer than 660 feet from the exterior boundaries thereof. Applicant states it will apply for permanent spacing within 90 days of successful well completion and requests placement on the Default Docket.

Docket 281-2008

**APPLICANT: J. BURNS BROWN OPERATING COMPANY – BLAINE COUNTY, MONTANA**

Upon the application of **J. Burns Brown Operating Company** to create a permanent spacing unit comprised of the W½ of Section 18, T34N-R19E, Blaine County, Montana, for production of natural gas from the Eagle Formation and to designate the Stuker 18-34-19C well as the authorized well for said permanent spacing unit.

Docket 282-2008

**APPLICANT: MISSOURI BASIN WELL SERVICE, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Missouri Basin Well Service, Inc.** to create a permanent spacing unit comprised of all of Section 32, T25N-R59E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Daniella #1-32H well as the authorized well for said permanent spacing unit.

Docket 283-2008

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

Upon the application of **Flying J Oil & Gas, Inc.** to create a permanent spacing unit comprised the S½ of Section 14 and the E½ of Section 23, T36N-R52E, Sheridan County, Montana, for production of oil and associated gas from the Winnipegosis Formation and to designate applicant's Wexels #1-23H well as the authorized well for said permanent spacing unit.

Docket 284-2008

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

Upon the application of **Flying J Oil & Gas, Inc.** to create a permanent spacing unit comprised the SE¼ of Section 14 and the NE¼ of Section 23, T36N-R52E, Sheridan County, Montana, for production of oil and associated gas from the Nisku Formation and to designate applicant's Wexels #1N-23H well as the authorized well for said permanent spacing unit.

Docket 285-2008

**APPLICANT: CITATION OIL AND GAS CORP. – BLAINE COUNTY, MONTANA**

Upon the application of **Citation Oil and Gas Corp.** to convert the F 402 well (API #25-005-05068) located in the SW¼NE¼ of Section 2, T31N-R19E, Blaine County, Montana, (Bowes Field) to a Class II injection well for enhanced recovery in the Sawtooth Formation. 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 286-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of all of Section 9, T35N-R16E, Hill County, Montana, for production of Eagle and Judith River Formations gas (commingled) through the wellbore of the Besette #9-14-35-16 well.

Docket 287-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to pool all interests in the permanent spacing unit comprised of all of Section 9, T35N-R16E, Hill County, Montana, for production of Eagle and Judith River Formations gas (commingled) through the wellbore of the Besette # 9-14-35-16 well. Applicant is not seeking risk penalties and requests placement on the Default Docket.

Docket 288-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the S½ of Section 3 and the N½ of Section 10, T34N-R16E, Hill County, Montana, for production of Eagle Formation gas through the wellbore of the Pattison #3-14-34-16F well.

Docket 289-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to designate a permanent spacing unit comprised of the N½ of Section 7, T35N-R17E, Hill County, Montana, for production of Niobrara Formation gas through the wellbore of the Bessette #7-3-35-17 well.

Docket 290-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the Higgins #5-9-33-14C) in the permanent spacing unit comprised of the S½ of Section 5 and the N½ of Section 8, T33N-R14E, Hill County, Montana, at a location 1980' FSL and 660' FEL of said Section 5, with a tolerance of 200 feet in any direction not closer to the permanent spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to Board Order 318-2005. Applicant requests placement on the Default Docket.

Docket 291-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the D&R Hanson #8-7-33-14E) in the permanent spacing unit comprised of the S½ of Section 5 and the N½ of Section 8, T33N-R14E, Hill County, Montana, at a location 1980' FNL and 1980' FEL of said Section 8, with a tolerance of 200 feet in any direction not closer to the permanent spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to Board Order 318-2005. Applicant requests placement on the Default Docket.

Docket 292-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the D&R Hanson-Federal #6-9-33-14B) in the temporary spacing unit comprised of all of Section 6, T33N-R14E, Hill County, Montana, at a location 1980' FSL and 660' FEL of said Section 6, with a tolerance of 200 feet in any direction not closer to the temporary spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 293-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the Higgins #9-11-33-14C) in the temporary spacing unit comprised of all of Section 9, T33N-R14E, Hill County, Montana, at a location 2475' FSL and 1370' FWL of said Section 9, with a tolerance of 200 feet in any direction not closer to the temporary spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 294-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the Higgins #9-13-33-14D) in the temporary spacing unit comprised of all of Section 9, T33N-R14E, Hill County, Montana, at a location 900' FSL and 900' FWL of said Section 9, with a tolerance of 200 feet in any direction not closer to the temporary spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 295-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the McSloy #10-5-33-14B) in the permanent spacing unit comprised of all of Section 10, T33N-R14E, Hill County, Montana, at a location 1980' FNL and 660' FWL of said Section 10, with a tolerance of 200 feet in any direction not closer to the permanent spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to Board Order 141-2008 and A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 296-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the State #16-3-33-14D) in the permanent spacing unit comprised of all of Section 16, T33N-R14E, Hill County, Montana, at a location 660' FNL and 1433' FWL in said Section 16, with a tolerance of 200' in any direction not closer to the permanent spacing unit boundary and to commingle production from said formations in the wellbore, as an exception to Board Order # 36-98 and A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 297-2008

**APPLICANT: KLABZUBA OIL & GAS, INC. – HILL COUNTY, MONTANA**

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle/Niobrara Formation gas well (the State #16-1-33-14C) in the permanent spacing unit comprised of all of Section 16, T33N-R14E, Hill County, Montana, at a location 990' FNL and 990' FEL of said Section 16, with a tolerance of 200 feet in any direction not closer to the permanent spacing unit boundary, and to commingle production from said formations in the wellbore, as an exception to Board Order 36-98 and A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 298-2008

**APPLICANT: BALDWIN EXPLORATION CORPORATION – CARBON COUNTY, MONTANA**

Upon the application of **Baldwin Exploration Corporation** to delineate a field and permanent spacing unit comprised of the W½NW¼ and NW¼SW¼ of Section 15 and the E½NE¼ and NE¼SE¼ of Section 16, T9S-R22E, Carbon County, Montana, for production of oil and associated natural gas from the Lakota Formation.

Docket 299-2008

**APPLICANT: BALDWIN EXPLORATION CORPORATION – CARBON COUNTY, MONTANA**

Upon the application of **Baldwin Exploration Corporation** to drill an additional Lakota Formation well in the permanent spacing unit comprised of the W½NW¼ and NW¼SW¼ of Section 15 and the E½NE¼ and NE¼SE¼ of Section 16, T9S-R22E, Carbon County, Montana, at a location not closer than 660 feet to the boundaries of said permanent spacing unit. Applicant requests placement on the Default Docket.

Docket 300-2008

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

Upon the application of **Devon Energy Production Company, L.P.** to create a permanent spacing unit comprised of the NE¼ of Section 35 and the NW¼ of Section 36, T25N-R17E, Blaine County, Montana, for production of gas from the Eagle Formation through the wellbore of the Courtnage State #35-08-25-17 well.

Docket 301-2008

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

Upon the application of **Devon Energy Production Company, L.P.**, to convert the Ramberg 29-10-31-18 well (API #25-005-21085) located in the NW¼SE¼ of Section 29, T31N-R18E, Blaine County, Montana, (Tiger Ridge Field) to a Class II injection well to dispose of produced water into the Eagle Formation. 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. Staff notes this application is eligible for placement on the Default Docket.

Docket 302-2008

**APPLICANT: OMIMEX CANADA, LTD – GLACIER COUNTY, MONTANA**

Upon the application of **Omimex Canada, Ltd** to drill a natural gas test well in the SE¼SW¼ of Section 24, T35N-R5W, in Cut Bank Field in Glacier County, Montana, at a location approximately 2570' FWL and 585' FSL of said Section 24. The proposed well location is approximately 70 feet from the boundary of the SE¼SW¼ of said Section 24 so it must be authorized as an exception location because the Cut Bank Field well location rule requires that no gas well be drilled closer than 330 feet from the boundaries of any legal subdivision line. Applicant requests placement on the Default Docket.

Docket 303-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 11, 12, 13, and 14, T23N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 304-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 7, 8, 17, and 18, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 305-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 9, 10, 15, and 16, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 306-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 22, 23, 26, and 27, T23N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 307-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 24 and 25, T23N-R55E and all of Sections 19 and 30, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 308-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 20, 21, 28, and 29, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 309-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 22, 23, 26, and 27, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 310-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 17, 18, 19, and 20, T24N-R54E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 311-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 21, 22, 27, and 28, T25N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 312-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 17, 18, 19, and 20, T25N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 313-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 2 and 3, T23N-R55E and all of Sections 34 and 35, T24N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 314-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Section 1, T23N-R55E, all of Section 36, T24N-R55E, all of Section 31, T24N-R56E and all of Section 6, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 315-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 10, 11, 14, and 15, T23N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 316-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 3 and 4, T23N-R55E and all of Sections 33 and 34, T24N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 317-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 1 and 2, T23N-R55E and all of Sections 35 and 36, T24N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 318-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 5 and 6, T23N-R56E and all of Sections 31 and 32, T24N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 319-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 9, 10, 15, and 16, T23N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 320-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 12 and 13, T23N-R55E and all of Sections 7 and 18, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 321-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 8, 9, 16, and 17, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 322-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 23, 24, 25, and 26, T23N-R55E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 323-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 19, 20, 29, and 30, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 324-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 5, 6, 7, and 8, T24N-R54E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 325-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 21, 22, 27, and 28, T23N-R56E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 326-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill a Bakken Formation horizontal test well in an overlapping temporary spacing unit consisting of all of Sections 14, 15, 22, and 23, T24N-R54E, Richland County, Montana, with the laterals to be located in proximity to the section lines between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket 327-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to delineate all of Section 28, T26N-R54E, Richland County, Montana, as a permanent spacing unit for the Bakken Formation and to designate applicant's Duane 1-28H well as the authorized well for said spacing unit.

Docket 328-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to delineate all of Section 27, T26N-R54E, Richland County, Montana, as a permanent spacing unit for the Bakken Formation and to designate applicant's Martin 1-27H well as the authorized well for said spacing unit.

Docket 329-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 5 and 8, T24N-R53E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Order 61-2006. Applicant requests placement on the Default Docket.

Docket 330-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 1 and 12, T24N-R52E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Order 239-2006. Applicant requests placement on the Default Docket.

Docket 331-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 11 and 14, T23N-R54E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Orders 221-2005 and 458-2005. Applicant requests placement on the Default Docket.

Docket 332-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 17 and 20, T25N-R55E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Orders 420-2005 and 462-2005. Applicant requests placement on the Default Docket.

Docket 333-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 14 and 23, T25N-R55E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Orders 387-2006 and 388-2006. Applicant requests placement on the Default Docket.

Docket 334-2008

**APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation horizontal well in the permanent spacing unit consisting of all of Sections 30 and 31, T25N-R53E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit, as an amendment to Board Orders 450-2005 and 464-2005. 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 223-2008  
Continued from July 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  
Continued from July 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-jointer penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 230-2008  
Continued from July 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-R46E**

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.

Docket 231-2008  
Continued from July 2008

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

Upon the amended 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-R46E  
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 22: N $\frac{1}{2}$ NE $\frac{1}{4}$   
Section 26: W $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$   
Section 27: E $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$   
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: E $\frac{1}{2}$ NE $\frac{1}{4}$   
Section 32: N $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$

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 241-2008  
Continued from July 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 264-2008  
Continued from July 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  
Continued from July 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  
Continued from July 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 268-2008  
Continued from July 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  
Continued from July 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  
Continued from July 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  
Continued from July 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  
Continued from July 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 335-2008  
**SHOW-CAUSE HEARING**

**RESPONDENT: DELPHI INTERNATIONAL INC. - MUSSELSHELL COUNTY, MONTANA**

Upon the Board's own motion to require **Delphi International Inc.** to appear and show cause, if any it has, why additional penalties should not be applied for its failure to pay the administrative penalty previously imposed for not filing timely and accurate monthly reports of production for its leases and wells located in Musselshell County, Montana, as required by Board rules.

P.M. Goffena 1 - (API # 25-065-05030) SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 25, T9N-R27E,  
Goffena 1 - (API # 25-065-21513) NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 25, T9N-R27E, and  
Goffena 1 - horiz - (API # 25-065-21800) SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 26, T9N-R27E

Docket 336-2008  
**SHOW-CAUSE HEARING**

**RESPONDENT: WESTSTAR ENERGY, INC. - MUSSELSHELL COUNTY, MONTANA**

Upon the Board's own motion to require **Weststar Energy, Inc.** to appear and show cause, if any it has, why additional penalties should not be applied for its failure to pay the administrative penalty previously imposed for not filing timely and accurate monthly reports of production for the Dybvik KV 1 well (API # 25-065-21627) located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 18, T10N-R27E, Musselshell County, Montana, as required by Board rules.

Docket 337-2008  
**SHOW-CAUSE HEARING**

**RESPONDENT: FAITH DRILLING, INC. - PONDERA COUNTY, MONTANA**

Upon the Board's own motion to require **Faith Drilling, Inc.** to appear and show cause, if any it has, why its bond should not be forfeited for failure to plug and abandon the Holstein 31-5 well in Section 5, T28N-R7W, Pondera County, Montana, as required by the Board's Administrative Order No. 1A-2007.

BOARD OF OIL AND GAS CONSERVATION

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Terri H. Perrigo  
Executive Secretary