

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

UPON THE APPLICATION OF XTO  
ENERGY INC. TO POOL ALL INTERESTS  
IN THE SPACING UNIT COMPRISED OF ALL  
OF SECTIONS 25 AND 26, T22N-R58E, RICHLAND  
COUNTY, MONTANA FOR PRODUCTION OF  
BAKKEN FORMATION OIL AND ASSOCIATED  
NATURAL GAS FROM THE HARTLAND #14X-26 WELL,  
AND TO AUTHORIZE RECOVERY OF NON-CONSENT  
PENALTIES AS AUTHORIZED IN SECTION 82-11-202 (2), MCA.

ORDER 72-2009

Docket No. 76-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the spacing unit comprised of all of Sections 25 and 26, T22N-R58E, Richland County, Montana, are hereby pooled for production of Bakken Formation oil and associated natural gas from the Hartland #14X-26 well.

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

BOARD ORDER NO. 72-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO POOL ALL  
INTERESTS IN THE SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 31 AND 32,  
T22N-R59E, RICHLAND COUNTY, MONTANA  
FOR PRODUCTION OF BAKKEN FORMATION  
OIL AND ASSOCIATED NATURAL GAS FROM  
THE JOE G. # 44X-25 WELL, AND TO AUTHORIZE  
RECOVERY OF NON-CONSENT PENALTIES AS  
AUTHORIZED IN SECTION 82-11-202 (2), MCA.

ORDER 73-2009

Docket No. 77-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the spacing unit comprised of all Sections 31 and 32, T22N-R59E, Richland County, Montana, are hereby pooled for production of Bakken Formation oil and associated natural gas from the Joe G. #44X-25 well.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties as authorized in Section 82-11-202 (2), M.C.A.

BOARD ORDER NO. 73-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ZENERGY, INC. TO CREATE A FIELD  
AND PERMANENT SPACING UNIT COMPRISED  
OF ALL OF SECTION 7, T27N-R59E, ROOSEVELT  
COUNTY, MONTANA FOR PRODUCTION OF OIL  
AND ASSOCIATED NATURAL GAS FROM THE  
BAKKEN FORMATION.

ORDER 74-2009

Docket No. 78-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 7, T27N-R59E, Roosevelt County, Montana is designated as a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Larsen Farms 14-7H well is the authorized well for said spacing unit.

BOARD ORDER NO. 74-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ZENERGY, INC. TO CREATE A FIELD  
AND PERMANENT SPACING UNIT COMPRISED  
OF ALL OF SECTION 15, T27N-R59E, ROOSEVELT  
COUNTY, MONTANA FOR PRODUCTION OF OIL  
AND ASSOCIATED NATURAL GAS FROM THE  
BAKKEN FORMATION.

ORDER 75-2009

Docket No. 79-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 15, T27N-R59E, Roosevelt 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 Wilson 4-15H well is the authorized well for said spacing unit.

BOARD ORDER NO. 75-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald E. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE PROTEST OF CONTINENTAL  
RESOURCES, INC. TO THE APPLICATIONS OF  
BURLINGTON RESOURCES OIL & GAS COMPANY LP  
TO DRILL THE FOLLOWING HORIZONTAL BAKKEN  
FORMATION TEST WELLS AT THE FOLLOWING  
LOCATIONS IN RICHLAND COUNTY, MONTANA:

ORDER 76-2009

- 1) THE SQUARE TOP 21-4H 43 WELL WITH A PROPOSED  
SURFACE LOCATION 325' FNL AND 1650' FWL OF  
SECTION 4, T24N-R53E, AND A PROPOSED BOTTOM  
HOLE LOCATION 738' FSL AND 394' FEL OF SECTION 8, T24N-R53E;
- 2) THE RED GIANT 31-30H 53 WELL WITH A PROPOSED  
SURFACE LOCATION 540' FNL AND 340' FEL OF SECTION 30,  
T25N-R53E, AND A PROPOSED BOTTOM HOLE LOCATION  
738' FSL AND 500' FEL OF SECTION 31, T25N-R53E.
- 3) THE TOP HAND 41-25H 52 WELL AT A PROPOSED  
SURFACE LOCATION 298' FSL AND 440' FEL OF SECTION 36,  
T25N-R52E, AND A PROPOSED BOTTOM HOLE  
LOCATION 710' FNL AND 460' FEL OF SECTION 25, T25N-R52E; AND
- 4) THE WAR HORSE 41-29H 53 WELL AT A PROPOSED SURFACE  
LOCATION 305' FNL AND 540' FEL OF SECTION 29, T25N-R53E,  
AND A PROPOSED BOTTOM HOLE LOCATION 773' FSL AND 490' FEL  
OF SECTION 32, T25N-R53E.

Docket No. 80-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The evidence indicates that taking the following action on this matter 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 Burlington Resources Oil & Gas Company L.P. will be issued permits to drill the Square Top 21-4H 43 well and the War Horse 41-29H 53 well at the locations set forth in the caption. Said permits may be renewed one time only for an additional six months. At the end of the permit period, permits for any undrilled remainders will be issued to Continental Resources, Inc.

BOARD ORDER NO. 76-2009

IT IS FURTHER ORDERED that Continental Resources, Inc. will be issued permits to drill the Hanna BR 1-30 HSU well and the Blackjack Hanna 1-25 HSU well at the locations authorized by Orders 60-2009 and 58-2009 respectively. Said permits may be renewed one time only for an additional six months. At the end of the permit period, permits for any undrilled remainders will be issued to Burlington Resources Oil & Gas Company, L.P.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PETRO-HUNT, L.L.C. TO CERTIFY THE  
REHBEIN # 18B-2-1H WELL (API # 25-083-22481)  
LOCATED IN SECTION 18, T23N-R55E, RICHLAND  
COUNTY, MONTANA, AS A HORIZONTALLY  
RECOMPLETED WELL ENTITLED TO APPLICABLE  
SEVERANCE TAX REDUCTIONS THROUGH THE  
MONTANA DEPARTMENT OF REVENUE AND TO  
APPROVE THE PRODUCTION DECLINE RATE TO  
BE USED IN THE CALCULATION OF INCREMENTAL PRODUCTION.

ORDER 77-2009

Docket No. 81-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Petro-Hunt, L.L.C. is granted as applied for.

BOARD ORDER NO. 77-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PETRO-HUNT, L.L.C. TO CERTIFY THE  
ROCKFORD # 26A-2-1H WELL (API # 25-083-21940)  
LOCATED IN SECTION 26, T23N-R53E, RICHLAND  
COUNTY, MONTANA, AS A HORIZONTALLY  
RECOMPLETED WELL ENTITLED TO APPLICABLE  
SEVERANCE TAX REDUCTIONS THROUGH THE MONTANA  
DEPARTMENT OF REVENUE AND TO APPROVE THE  
PRODUCTION DECLINE RATE TO BE USED IN THE  
CALCULATION OF INCREMENTAL PRODUCTION.

ORDER 78-2009

Docket No. 82-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Petro-Hunt, L.L.C. is granted as applied for.

BOARD ORDER NO. 78-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENERPLUS RESOURCES (USA) CORPORATION. TO  
CONVERT THE RR LONE TREE EDNA 1-13 WELL  
(API # 25-083-22695) LOCATED IN THE SW¼SW¼ OF  
SECTION 1, T23N-R56E, RICHLAND COUNTY, MONTANA,  
TO A CLASS II INJECTION WELL IN THE MUDDY, UPPER  
DAKOTA, AND LOWER DAKOTA FORMATIONS AT A  
DEPTH OF APPROXIMATELY 5216-5874 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.

ORDER 79-2009

Docket No. 83-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corp. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 79-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC. TO POOL  
ALL INTERESTS IN THE PERMANENT SPACING  
UNIT COMPRISED OF LOTS 1, 2, 3, & 4, E½W½, E½ (ALL)  
OF SECTION 19, T31N-R24E, BLAINE COUNTY, MONTANA,  
ON THE BASIS OF SURFACE ACREAGE PARTICIPATION,  
FOR PRODUCTION OF EAGLE FORMATION NATURAL  
GAS FROM THE ML&E STEPHENS WHITE BEAR 10-19  
AND 10B-19 WELLS.

ORDER 80-2009

Docket No. 84-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Lots 1, 2, 3, & 4, E½W½, E½ (all) of Section 19, T31N-R24E, Blaine County, Montana, are hereby pooled on the basis of surface acreage participation for production of Eagle Formation natural gas from the ML&E Stephens White Bear 10-19 and 10B-19 wells.

BOARD ORDER NO. 80-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC. TO POOL  
ALL INTERESTS IN THE PERMANENT SPACING UNIT  
COMPRISED OF THE SE¼ OF SECTION 19, THE SW¼ OF  
SECTION 20, THE NW¼ OF SECTION 29 AND THE NE¼ OF  
SECTION 30, T31N-R24E, BLAINE COUNTY, MONTANA,  
ON THE BASIS OF SURFACE ACREAGE PARTICIPATION,  
FOR PRODUCTION OF EAGLE FORMATION NATURAL  
GAS FROM THE ML&E STEPHENS WHITE BEAR 1-30 WELL.

ORDER 81-2009

Docket No. 85-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the SE¼ of Section 19, the SW¼ of Section 20, the NW¼ of Section 29 and the NE¼ of Section 30, T31N-R24E, Blaine County, Montana, are hereby pooled on the basis of surface acreage participation for production of Eagle Formation natural gas from the ML&E Stephens White Bear 1-30 well.

BOARD ORDER NO. 81-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PINNACLE GAS RESOURCES, INC. TO  
APPROVE ITS HOSFORD PLAN OF DEVELOPMENT  
(POD), WHICH WILL BE SUBMITTED TO STAFF PRIOR  
TO THE HEARING, FOR COAL BED NATURAL GAS  
EXPLORATION AND DEVELOPMENT UPON THE  
FOLLOWING LANDS IN ROSEBUD COUNTY, MONTANA:  
TOWNSHIP 7S- RANGE 41E

ORDER 82-2009

SECTION 21: S½  
SECTION 22: W½  
SECTION 27: ALL  
SECTION 28: ALL  
SECTION 33: ALL

Docket No. 86-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. Attorney Loren J. O'Toole, Jr. was present to protest the application on behalf of Diamond Cross Properties LLC. He requested the POD be denied until a plan for beneficial use of the water is in place. He said the application is premature and violates the order of the court regarding beneficial use of produced water.
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 application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment by Board staff.

BOARD ORDER NO. 82-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PINNACLE GAS RESOURCES, INC. TO  
DELINEATE THE FOLLOWING DESCRIBED LANDS  
IN ROSEBUD COUNTY, MONTANA, 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; TO ESTABLISH  
FIELD RULES PROVIDING FOR 80-ACRE SPACING UNIT  
WITH 220-FOOT SETBACKS FROM SPACING UNIT BOUNDARIES;  
AND TO AUTHORIZE THE COMMINGLING OF GAS PRODUCED  
FROM DIFFERENT COAL BEDS IN THE WELLBORE.  
TOWNSHIP 7S-RANGE 41E

ORDER 83-2009

SECTION 21: S½  
SECTION 22: W½  
SECTION 27: ALL  
SECTION 28: ALL  
SECTION 33: ALL

Docket No. 87-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The evidence indicates that granting the application 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 lands in Rosebud County, Montana, are designated the Hosford 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 S½ of Section 21, the W½ of Section 22, all of Section 27, all of Section 28 and all of Section 33, T7S-R41E.

IT IS FURTHER ORDERED that spacing for the Hosford Field shall be 80-acre spacing units with 220-foot setbacks from spacing unit boundaries.

BOARD ORDER NO. 83-2009

IT IS FURTHER ORDERED that commingling of gas produced from different coal beds in the wellbore is hereby authorized.

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 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF IOFINA NATURAL  
GAS, INC. TO ESTABLISH 160-ACRE TEMPORARY  
SPACING UNITS WITH A 660-FOOT SETBACK FROM  
SPACING UNIT BOUNDARIES FOR THE EXPLORATION  
AND PRODUCTION OF NATURAL GAS FROM THE EAGLE,  
VIRGELLE AND TELEGRAPH CREEK FORMATIONS UPON  
THE FOLLOWING DESCRIBED LANDS IN HILL COUNTY,  
MONTANA.

ORDER 84-2009

TOWNSHIP 34N-R12E

SECTION 22: ALL

SECTION 26: W½

SECTION 27: ALL

SECTION 33: ALL

SECTION 34: ALL

TOWNSHIP 33N-R12E

SECTION 11: ALL

APPLICANT STIPULATES THAT NONE OF THE REQUESTED  
ADDITIONAL WELLS LOCATED IN THE N½ OF SAID  
SECTION 22, T34N-R12E WILL PENETRATE THE STRUCTURAL  
FEATURE SPACED BY BOARD ORDER 269-2005.

Docket No. 90-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. Mr. Rodney Johnson, a landowner in Section 34, appeared in person to protest the application on behalf of himself and his brother Larry Johnson. They believe iodine, not natural gas, is applicant's target; and they are unsure whether applicant has viable leases for iodine.
3. 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.

BOARD ORDER NO. 84-2009

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the following lands in Hill County, Montana, are designated as 160-acre temporary spacing units with 660-foot setbacks from spacing unit boundaries for the exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations:

TOWNSHIP 34N-R12E

SECTION 22: ALL

SECTION 26: W½

SECTION 27: ALL

SECTION 33: ALL

SECTION 34: ALL

TOWNSHIP 33N-R12E

SECTION 11: ALL

IT IS FURTHER ORDERED that applicant shall attend the Board's October 14, 2009 business meeting and give a project update.

IT IS FURTHER ORDERED that applicant shall file an application for permanent spacing within ninety (90) days of first production from each designated temporary spacing unit.

IT IS FURTHER ORDERED that none of the requested additional wells in the N½ of said Section 22, T34N-R12E, Hill County, Montana, shall penetrate the structural feature spaced by Board Order 269-2005.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
IOFINA NATURAL GAS, INC. FOR  
AUTHORITY TO DRILL UP TO ONE PRODUCING  
GAS WELL PER QUARTER SECTION IN THE  
ALREADY-ESTABLISHED SPACING UNIT COMPRISED  
OF ALL OF SECTION 28, T34N-R12E, HILL COUNTY,  
MONTANA, WITH 660-FOOT SETBACKS FROM  
QUARTER SECTION BOUNDARIES, FOR EXPLORATION  
AND PRODUCTION OF NATURAL GAS FROM THE EAGLE,  
VIRGELLE AND TELEGRAPH CREEK FORMATIONS,  
AS AN EXCEPTION TO A.R.M. 36.22.702.  
APPLICANT ALSO REQUESTS THAT BOARD  
ORDER 270-2005 BE VACATED.

ORDER 85-2009

Docket No. 91-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. Section 28 was designated a permanent spacing unit for production of gas from the Eagle Formation by Board Order 264-2005.

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 Iofina Natural Gas, Inc. is authorized to drill up to one producing gas well per quarter section in the existing spacing unit comprised of all of Section 28, T34N-R12E, Hill County, Montana, with 660-foot setbacks from the quarter section boundaries, as an exception to A.R.M. 36.22.702 and Board Order 264-2005.

IT IS FURTHER ORDERED that Iofina Natural Gas, Inc. shall attend the Board's October 14, 2009 business meeting and give a project update.

BOARD ORDER NO. 85-2009

IT IS FURTHER ORDERED that Board Order 270-2005 is hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
IOFINA NATURAL GAS, INC. FOR AUTHORITY  
TO DRILL UP TO ONE PRODUCING GAS WELL  
PER QUARTER SECTION IN THE ALREADY-ESTABLISHED  
SPACING UNIT COMPRISED OF ALL OF SECTION 21,  
T34N-R12E, HILL COUNTY, MONTANA, WITH 660-FOOT  
SETBACKS FROM QUARTER SECTION BOUNDARIES,  
FOR EXPLORATION AND PRODUCTION OF NATURAL  
GAS FROM THE EAGLE, VIRGELLE AND TELEGRAPH  
CREEK FORMATIONS, AS AN EXCEPTION TO A.R.M. 36.22.702.  
APPLICANT ALSO REQUESTS THAT BOARD ORDER 270-2005 BE VACATED.

ORDER 86-2009

Docket No. 92-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. Section 21 was designated a permanent spacing unit for production of gas from the Eagle Formation by Order 266-2005.
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 Iofina Natural Gas, Inc. is hereby authorized to drill up to one producing gas well per quarter section in the already-established spacing unit comprised of all of Section 21, T34N-R12E, Hill County, Montana, with 660-foot setbacks from quarter section boundaries, for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations as an exception to A.R.M. 36.22.702 and Board Order 266-2005.

BOARD ORDER NO. 86-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
IOFINA NATURAL GAS, INC. FOR AUTHORITY  
TO DRILL UP TO ONE PRODUCING GAS WELL PER  
QUARTER SECTION IN THE ALREADY-ESTABLISHED  
TEMPORARY SPACING UNIT COMPRISED OF ALL OF  
SECTION 16, T34N-R12E, HILL COUNTY, MONTANA,  
WITH 660-FOOT SETBACKS FROM QUARTER SECTION  
BOUNDARIES, FOR EXPLORATION AND PRODUCTION  
OF NATURAL GAS FROM THE EAGLE, VIRGELLE AND  
TELEGRAPH CREEK FORMATIONS, AS AN EXCEPTION  
TO A.R.M. 36.22.702.

ORDER 87-2009

Docket No. 93-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. The evidence indicates that granting the application 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 Iofina Natural Gas, Inc. is authorized to drill up to one producing gas well per quarter section in the already-established temporary spacing unit comprised of all of Section 16, T34N-R12E, Hill County, Montana, with 660-foot setbacks from quarter section boundaries for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 87-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
IOFINA NATURAL GAS, INC. FOR AUTHORITY  
TO DRILL UP TO ONE PRODUCING GAS WELL PER  
QUARTER SECTION IN THE ALREADY-ESTABLISHED  
TEMPORARY SPACING UNIT COMPRISED OF ALL OF  
SECTION 14, T34N-R12E, HILL COUNTY, MONTANA,  
WITH 660-FOOT SETBACKS FROM QUARTER SECTION  
BOUNDARIES, FOR EXPLORATION AND PRODUCTION  
OF NATURAL GAS FROM THE EAGLE, VIRGELLE AND  
TELEGRAPH CREEK FORMATIONS, AS AN EXCEPTION  
TO A.R.M. 36.22.702. APPLICANT ALSO REQUESTS THAT  
BOARD ORDER 342-2004 BE VACATED.

ORDER 88-2009

Docket No. 94-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The evidence indicates that granting the application 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 Iofina Natural Gas, Inc. is authorized to drill up to one producing gas well per quarter section in the already-established temporary spacing unit comprised of all of Section 14, T34N-R12E, Hill County, Montana, with 660-foot setbacks from quarter section boundaries, for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that Board Order 342-2004 is hereby vacated.

BOARD ORDER NO. 88-2009

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 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
IOFINA NATURAL GAS, INC. FOR AUTHORITY  
TO DRILL UP TO ONE PRODUCING GAS WELL  
PER QUARTER SECTION IN THE ALREADY-ESTABLISHED  
TEMPORARY SPACING UNIT COMPRISED OF ALL OF  
SECTION 15, T34N-R12E, HILL COUNTY, MONTANA, WITH  
660-FOOT SETBACKS FROM QUARTER SECTION BOUNDARIES,  
FOR EXPLORATION AND PRODUCTION OF NATURAL GAS  
FROM THE EAGLE, VIRGELLE AND TELEGRAPH CREEK  
FORMATIONS, AS AN EXCEPTION TO A.R.M. 36.22.702.  
APPLICANT STIPULATES THAT NONE OF THE ADDITIONAL  
WELLS IN THE S½ OF SECTION 15 SHALL PENETRATE  
THE FEATURE SPACED BY BOARD ORDER 269-2005.

ORDER 89-2009

Docket No. 95-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. A protest letter from Allan and Kathleen Woeppel, mineral owners in Section 15, was read into the record by the Chairman. They are protesting because Iofina does not have a mineral lease with them.
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 Iofina Natural Gas, Inc. is authorized to drill up to one producing gas well per quarter section in Section 15, T34N-R12E, Hill County, Montana, with 660-foot setbacks from quarter section boundaries, for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 89-2009

IT IS FURTHER ORDERED that none of the additional wells in the S½ of Section 15 shall penetrate the feature spaced by Board Order 269-2005.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF IOFINA NATURAL GAS, INC.  
FOR AUTHORITY TO DRILL UP TO ONE PRODUCING GAS  
WELL PER QUARTER SECTION IN THE ALREADY-ESTABLISHED  
TEMPORARY SPACING UNIT COMPRISED OF ALL OF  
SECTION 10, T33N-R12E, HILL COUNTY, MONTANA, FOR  
EXPLORATION AND PRODUCTION OF NATURAL GAS FROM  
THE EAGLE, VIRGELLE AND TELEGRAPH CREEK FORMATIONS  
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 90-2009

Docket No. 96-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. Mr. Rodney Johnson, a mineral owner in Section 10, appeared in person to protest the application on behalf of himself and his brother Larry Johnson. They believe iodine, not natural gas, is applicant's target; and they are unsure whether applicant has viable leases for iodine. They are also concerned about the amount of water that could be produced and the already-existing saline seep problem in Section 10.

3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interests 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 Iofina Natural Gas, Inc. is authorized to drill up to one producing gas well per quarter section in the already-established temporary spacing unit comprised of all of Section 10, T33N-R12E, Hill County, Montana, for exploration and production of natural gas from the Eagle, Virgelle and Telegraph Creek Formations as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 90-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF CHAPARRAL ENERGY, L.L.C.  
TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN  
FORMATION WELL (THE MCVAY # 3-34H) FOR PRODUCTION  
OF OIL AND ASSOCIATED NATURAL GAS IN THE PERMANENT  
SPACING UNIT COMPRISED OF ALL OF SECTION 34, T25N-R55E,  
RICHLAND COUNTY, MONTANA, SAID WELL TO BE LOCATED  
ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER 91-2009

Docket No. 26-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interests 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 Chaparral Energy, L.L.C. is granted as applied for.

BOARD ORDER NO. 91-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ron Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF CHAPARRAL ENERGY, L.L.C.  
TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN  
FORMATION WELL (THE MCVAY # 4-34H) FOR PRODUCTION  
OF OIL AND ASSOCIATED NATURAL GAS IN THE  
PERMANENT SPACING UNIT COMPRISED OF ALL  
OF SECTION 34, T25N-R55E, RICHLAND COUNTY,  
MONTANA, SAID WELL TO BE LOCATED ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES THEREOF.

ORDER 92-2009

Docket No. 27-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interests 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 Chaparral Energy, L.L.C. is granted as applied for.

BOARD ORDER NO. 92-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF ALTAMONT OIL & GAS, INC.  
TO CONVERT THE JODY FIELD 34-2 WELL (API #25-073-21838)  
IN THE NW¼SW¼ OF SECTION 34, T29N-R6W, PONDERA  
COUNTY, MONTANA, (EAST CROCKER SPRINGS FIELD) TO  
A SALTWATER INJECTION WELL IN THE MADISON/SUN RIVER  
FORMATION AT A DEPTH OF APPROXIMATELY 3418 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.

ORDER 93-2009

Docket No. 57-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interests 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 Altamont Oil & Gas, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 93-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF IOFINA NATURAL GAS, INC.  
TO DRILL THE IOFINJ #34-12-15 WELL LOCATED IN THE  
CENTER OF THE SE¼ OF SECTION 15, T34N-R12E, HILL  
COUNTY, MONTANA, AS A CLASS II INJECTION WELL  
IN THE VIRGELLE FORMATION AT A DEPTH OF  
APPROXIMATELY 1050-1150 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.

ORDER 94-2009

Docket No. 75-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. A protest letter from Allan and Kathleen Woepfel, mineral owners in said Section 15, was read into the record by the Chairman. They are protesting because they allege Iofina does not have a lease with them for an injection well.
3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interests 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 Iofina Natural Gas, Inc. is authorized to drill the IOFINJ #34-12-15 well located in the center of the SE¼ of Section 15, T34N-R12E, Hill County, Montana, as a Class II injection well in the Virgelle Formation at a depth of approximately 1050-1150 feet, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 94-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings,  
Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S OWN MOTION TO REQUIRE  
NATIVE AMERICAN ENERGY GROUP, INC. TO  
APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY  
ITS PENDING CHANGE OF OPERATOR REQUEST  
SHOULD NOT BE APPROVED OR WHY OTHER PENALTIES  
SHOULD NOT BE ASSESSED FOR ITS FAILURE TO CLEAN  
UP WELLSITES AT THE FOLLOWING WELLS BEING  
REQUESTED FOR TAKEOVER: THE S WRIGHT 5-35  
WELL (API # 25-055-05204) IN PRAIRIE ELK FIELD IN  
MCCONE COUNTY AND THE SANDVICK 1-11 WELL  
(API # 25-105-21278) IN NORTH LUSTRE FIELD IN  
VALLEY COUNTY, MONTANA.

ORDER 95-2009

Docket No. 97-2009

Report of the Board

The above entitled cause was scheduled for hearing on the 9th day of July, 2009 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. Members Don Bradshaw and Wayne Smith were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. Mr. Joe Durrigo, president of Native American Energy Group, Inc. appeared in person at the hearing. His company is expecting funding in August 2009. He would like until October 2009 to get all the violations taken care of.

3. Staff member Jim Halvorson said Native American Energy Group, Inc. still has a \$60 delinquent fine outstanding.

3. Chief Field Inspector Sasaki recommended Native American Energy Group, Inc. be given until the Board's October 15, 2009 public hearing to have all issues taken care of on the pending Change of Operator regarding the S Wright 5-35 well in McCone County and the Sandvick 1-11 well in Valley County. He also recommended the re-entry permit for the Beery #2 well be held up until that time also.

4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

BOARD ORDER NO. 95-2009

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Show-Cause hearing for Native American Energy Group, Inc. be continued until the Board's October 15, 2009 public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of July, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary