

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
December 9 & 10, 2009

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, December 9, 2009, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza in Billings, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of October 14, 2009 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. 2010 schedule
7. Default docket
8. TOI Operating and PAR Investments, LLC
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 on Thursday, December 10, 2009, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza in Billings, 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 143-2009

APPLICANT: SOMONT OIL CO., INC. – TOOLE OUNTY, MONTANA

Upon the application of **Somont Oil Co., Inc.** to: a) increase well density in the Amanda Field for the Swift and Sunburst Formations from 2 wells per half section to 8 wells per half section (with four wells per quarter section) on the following lands in Toole County, Montana:

T37N-R3W
S½ of Section 31
T36N-R3W
Sections 5, 6, 7 and 8
W½ of Section 17
Section 18
T36N-R4W
Sections 12, 13, 14, 22, 23 and 24
W½ of Section 25;

and b) increase densities for the Swift and Sunburst Formations from 1 well per quarter section to 4 wells per quarter section in Sections 15 and 26, T36N-R4W, Toole County, Montana. Applicant requests placement on the Default Docket.

Docket 144-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 2 and 3, T23N-R57E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the common boundary line between said Sections 2 and 3, at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit, as an exception to Board Orders 145-2001, 17-2005 and 312-2008, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 145-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 9 and 10, T23N-R57E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 147-2004 and 219-2004, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 146-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 10 and 11, T23N-R57E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the common boundary line between said Sections 10 and 11 at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 147-2004, 17-2005 and 312-2008, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 147-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 29 and 30, T24N-R57E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 4-2002 and 143-2004, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 148-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 34 and 35, T24N-R57E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 147-2001 and 98-2002, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 149-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 4, 5, 8 and 9, T24N-R54E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the boundary between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 289-2004 and 112-2005, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 150-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 31 and 32, T25N-R54E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 146-2004 and 110-2005, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 151-2009

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create an overlapping temporary spacing unit comprised of all of Sections 13 and 14, T24N-R55E, Richland County, Montana, to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of said overlapping temporary spacing unit as an exception to Board Orders 3-2002 and 55-2002, and to provide that said overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Applicant requests placement on the Default Docket.

Docket 152-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 1 and 12, T22N-R58E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 153-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 3 and 4, T22N-R58E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 154-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 9 and 16, T22N-R59E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 155-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 10 and 11, T22N-R59E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 156-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of the S½ of Section 12 and all of Section 13, T22N-R59E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 157-2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 15 and 22, T22N-R59E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 158-2009

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - CHOUTEAU COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an additional Eagle Formation gas well (the Beumee 04-08-26-17 well) at an approximate location 2266' FNL and 725' FEL in Section 4, T26N-R17E, Chouteau County, Montana, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 159-2009

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

Upon the application of **Devon Energy Production Company, L.P.** to drill an additional Eagle Formation gas well (the Erhard 26-13-32-15 well) at an approximate location 1105' FSL and 504' FWL in Section 26, T32N-R15E, Hill County, Montana, as an exception to Board Order 10-70. Applicant requests placement on the Default Docket.

Docket 160-2009

APPLICANT: ARMSTRONG OPERATING INC. – ROOSEVELT COUNTY, MONTANA

Upon the application of **Armstrong Operating Inc.** to create a temporary spacing unit for all formations down to the Duperow comprised of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 25, the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 35 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T32N-R48E, Roosevelt County, Montana, to drill a well to test the Duperow Formation at a location 150' FNL and 500' FEL in said Section 35, and to designate said test well as the only authorized well for said temporary spacing unit as an exception to A.R.M. 36.22.702 (3).

Docket 161-2009

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

Upon the application of **Shakespeare Oil Company, Inc.** to create a temporary spacing unit for the Red River Formation comprised of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, T36N-R54E, Sheridan County, Montana, to drill a well to test the Red River Formation 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 (3).

Docket 162-2009

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

Upon the application of **Shakespeare Oil Company, Inc.** to create a temporary spacing unit for the Red River Formation comprised of the W $\frac{1}{2}$ of Section 19, T36N-R55E, Sheridan County, Montana, to drill a well to test the Red River Formation 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 (3).

Docket 163-2009

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

Upon the application of **Continental Resources, Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 1 and 12, T24N-R52E, Richland County, Montana, to be located anywhere within said spacing unit but not closer than 660 feet to the exterior boundaries thereof. Applicant requests placement on the Default Docket.

Docket 164-2009

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

Upon the application of **Continental Resources, Inc.** to create an overlapping temporary spacing unit comprised of all of Sections 29, 30, 31 and 32, T25N-R55E, Richland County, Montana, to drill a horizontal Bakken Formation test well with the lateral to be located no farther than 500 feet from the common boundary between the two existing permanent spacing units and no closer than 660 feet to the exterior boundaries of the proposed temporary spacing unit, and to provide that the requested temporary spacing unit is limited to production from the proposed horizontal well.

Docket 165-2009

APPLICANT: NFR BEAR PAW BASIN LLC - HILL COUNTY, MONTANA

Upon the application of **NFR Bear Paw Basin LLC** to vacate the temporary spacing unit comprised of all of Section 29, T35N-R17E, Hill County, Montana, which was created by Board Order 299-2007. Applicant requests placement on the Default Docket.

Docket 101-2009
Continued from August 2009

APPLICANT: ZENERGY OPERATING COMPANY, LLC - ROOSEVELT COUNTY, MONTANA

Upon the application of **Zenergy Operating Company, LLC** to create a temporary spacing unit comprised of all of Sections 12 and 13, T27N-R58E, Roosevelt County, Montana, to drill a horizontal Bakken Formation well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 108-2009
Continued from August 2009

APPLICANT: XTO ENERGY INC. - RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 9 and 16, T22N-R59E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 130-2009
Continued from October 2009

APPLICANT: XTO ENERGY INC. – RICHLAND COUNTY, MONTANA

Upon the application of **XTO Energy Inc.** to pool all interests in the spacing unit comprised of all of Sections 18 and 19, 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 Haffner #11X-18 well.

Docket 137-2009
Continued from October 2009

APPLICANT: OASIS PETROLEUM LLC - ROOSEVELT COUNTY, MONTANA

Upon the application of **Oasis Petroleum LLC** to create a permanent spacing unit comprised of the E½ of Section 27, T28N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation.

Docket 138-2009
Continued from October 2009

APPLICANT: OASIS PETROLEUM LLC – McCONE COUNTY, MONTANA

Upon the application of **Oasis Petroleum LLC** to create a permanent spacing unit comprised of all of Section 27, T27N-R50E, McCone County, Montana, for production of oil and associated natural gas from the Bakken Formation.

BOARD OF OIL AND GAS CONSERVATION

Terri H. Perrigo
Executive Secretary