

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
MINUTES OF THE  
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING  
March 7, 2012

**BUSINESS MEETING**

CALL TO ORDER

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 2:00 p.m., Wednesday, March 7, 2012, at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Nelson, Vice-Chairman Wayne Smith, Don Bradshaw, Ronald S. Efta, Jay Gunderson, Jack King and Bret Smelser. Staff present was Jim Halvorson, George Hudak, Terri Perrigo, Clyde Peterson, Tom Richmond and Steve Sasaki.

APPROVAL OF MINUTES

A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the minutes of the December 14, 2011 business meeting.

PUBLIC COMMENT

*Don Lee, Attorney, Regarding Continental Applications*

Attorney Don Lee was present to discuss two Continental Resources, Inc. (CRI) applications (97 and 98-2012) scheduled for hearing tomorrow. These replaced two prior applications which were withdrawn (355 and 356-2011). When Mr. Lee sent out notice to mineral and other interest owners for 97 and 98-2012, his letter referenced 355 and 356-2011 which had different setback requests. However, the correct applications were attached and they request the correct 200'/500' setbacks. After discussion with CRI, he felt it should be brought to the Board's attention; however, Mr. Lee and CRI believe all mineral and other interest owners still got proper notice for 97 and 98-2012.

*Duane Ladd – Federal Exploratory Unit*

Mr. Duane Ladd was present. He has minerals in the Anschutz Exploration Corporation (Anschutz) federal exploratory unit presented to the Board at the August hearing and approved by the Bureau of Land Management (BLM). Many Anschutz leases in the unit area, which they paid a \$15 bonus per acre, expire in January 2013. Mr. Ladd called Anschutz in Denver and told them there are other companies on the Blackfeet Reservation paying more than \$100 bonus per acre right now to lease. Anschutz told him they are requesting an extension on their current leases. Mr. Ladd thinks the leases should be renegotiated, not extended. He feels this is not being done properly and he is here to voice his opinion.

Mr. Richmond said federal units do not do a very good job of protecting individuals. That is why he was uncomfortable about the request to waive spacing and setback requirements for the proposed federal exploratory unit.

Mr. Ladd said he feels the government and BIA are taking away Indian rights to negotiate their own minerals on their own property. Mr. Peterson said this is a jurisdictional issue regarding what federal agencies can or cannot do, and is out of the purview of the Board. Mr. King agreed. He appreciates Mr. Ladd's situation but said the Board does not have any authority over what the federal government does.

Dennis Trudell - Sidney

Mr. Dennis Trudell was present on behalf of the Northeast Montana Land & Mineral Owners Association (NEMLMOA). He thanked the Board for scheduling its June 2012 hearing in Sidney. He feels it is very beneficial for everyone when the Board goes to Sidney because of the level of activity there. Currently there are 15-18 rigs in the area and a lot of leasing taking place. He expects there will be a big turnout for the meetings in Sidney.

Jeff Wivholm - Conservation Districts

Mr. Jeff Wivholm of the Sheridan County Conservation District was present along with Ms. Laurie Zeller of the DNRC Conservation Districts Bureau. Mr. Wivholm said he was speaking on behalf of the Sheridan, Richland and Roosevelt County Conservation Districts.

In November 2011 the Montana Association of Conservation Districts (MACD) proposed a resolution to protect water and soil in oil impacted counties. The Sheridan County Conservation District put together a draft ordinance which is attached as Exhibit 1. The ordinance was developed because of concerns about protection and conservation of land, water and other resources in Sheridan County. They are also concerned about surface issues and clean-up after development. MACD put a working group together consisting of DNRC, DEQ, Montana Petroleum Association (MPA) and the Board; and are considering adoption of land use ordinances for all three counties modeled after the Sheridan County one (Exhibit 1). The working group has a meeting with MPA and the MACD state director at the end of March to gather input.

Mr. King asked if there are specific problems Mr. Wivholm could talk to the Board about that have not been remedied. Mr. Wivholm said in the Westby area a salt water well burst, ruined a water well and filled a dam with saltwater. Right now companies are taking scoria from places where noxious weeds exist and the noxious weeds spread to farmers fields. He said it would be advantageous to local people to have the conservation districts involved. Mr. King encouraged Mr. Wivholm to make sure anyone who has a problem contact Board staff. The Board has staff out in the field that will address problems immediately. Mr. Wivholm said it does not seem that the BOGC pays a lot of attention to surface issues, and that is why they feel conservation districts should be involved. Mr. King disagrees. He thinks the Board does address surface issues.

Mr. Smelser asked if the proposed ordinance would require that well locations be a certain distance from streams. Mr. Wivholm said conservation districts do not like to see things that change drainage. He also said he is pro-development and that ninety percent of wells are fine, but wells next to someone's house or pond are not.

Chairman Nelson asked what the process would be for adopting the ordinance(s). Mr. Wivholm said MACD would hold published meetings and each county would vote on whether or not to adopt their own ordinance. They would prefer to have the same ordinance in all three counties included in the Board's special statewide temporary spacing area (Sheridan, Roosevelt and Richland). Chairman Nelson is concerned about duplicity because the Board already has rules and regulations about the areas of concern. Mr. Wivholm agreed, but said people do not feel surface issues are being resolved by the Board. Chairman Nelson reminded the Board that conservation districts have the right to do what they are proposing.

Mr. Efta wanted to clarify that these are county ordinances being proposing – not state ones. Mr. Efta said the commissioners in his county (Wibaux) have been talking about this too, but he does not think they are as concerned about drilling as they are about the people coming in.

Poor Boy Oil – Lenny Carver

Chief Field Inspector Steve Sasaki introduced Mr. Lenny Carver of Poor Boy Oil, who was present because Poor Boy re-entered the Dore #1 well to convert to injection without a drilling re-entry permit. Mr. Sasaki distributed Exhibits 2 and 3 to chronicle the history on this matter. Mr. Sasaki said it was approximately 50 days between the time Mr. Carver started re-completing the well and the time he was in compliance, and he recommends a fine of \$50 per day (\$2500). Mr. Carver said he hired a Billings engineering firm to do all his paperwork and to keep him out of trouble, but that did not happen. He asked the engineering firm if they would come up and testify with him today and they said no.

**MOTION:** A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to impose a \$2500 fine for re-entry of the Dore #1 well prior to a permit being issued.

Mr. Carver wrote a check for the fine amount and gave it to the Board.

MOUNTAIN PACIFIC GENERAL INC STATUS UPDATE

No one was present from Mountain Pacific General, Inc. Mr. Sasaki reminded the Board that this was just a status update.

Mountain Pacific has a deadline of August 2012 to plug the following wells in Toole County, Montana: 1) the Ostrem #2-33 in the SENW of Section 33, T32N-R3E; 2) the Tiber 30-2-8-4 in the NWNW of Section 8, T30N-R2E; and 3) the Tiber 30-2-18-1 in the center of the NE¼ of Section 18, T30N-R2E. In addition, the bond of Mountain Pacific General, Inc. remains at \$50,000 until the same August 2012 meeting when the increase to \$250,000 shall again be reviewed by the Board.

Mr. Gunderson asked if it would be possible to have a list of outstanding items from past action presented at each business meeting. He said, like in the example of Mountain Pacific, he forgets what is still pending from prior action.

OSTBY REQUEST FOR REHEARING ON DOCKET 462-2011

Ms. Anne Ostby presented her reason for the rehearing request. She feels the Board can only approve special statewide spacing, as it did in Docket 462-2011, after giving written notice to all owners of record of the oil and gas leasehold interests being spaced. Board counsel, Mr. Peterson, presented his legal analysis on whether the BOGC gave proper notice, which is attached as Exhibit 4. Mr. Peterson's conclusion is that the Board did act in accordance with state law and gave proper notice of the hearing on its proposed order. He recommended the request for rehearing be denied.

Ms. Ostby was given a copy of Mr. Peterson's analysis and said she would like the Board to grant the rehearing so she can give her response to Mr. Peterson's legal argument. She said there has been ex parte communication from a law firm that sent in its legal analysis on this matter. She said the original hearing was done in a contested case format and her recollection was that no evidence was provided about protection of correlative rights and the action being in the best interest of oil and gas conservation. She believes when the contested case format is used there should be contested case notice requirements.

Ms. Ostby also had questions about publication. For the Board hearings, notice is published one day only in a newspaper of general circulation in the county in which the activity takes place. She goes on the website to see what is on the docket, but she does not think that is the proper format. She wants to know if the notice given for two-section temporary spacing units is the same as for permanent spacing. She thinks the Board could require personal notice requirements as a rule, although she understands it would be a huge burden on staff.

Ms. Ostby is glad the Board has listened to people's concerns. At the last hearing she heard an operator make arguments against two-section spacing in the special statewide spacing area. She said it is possible to still do a long lateral in a smaller spacing unit.

Mr. Peterson said the rehearing request is before the Board. The Board can grant the rehearing, but generally that is only done if there is new information to be heard that was not available at the prior hearing. Ms. Ostby claims there is a legal deficiency. Mr. Peterson looked at this as a due process matter: whether or not there was ample notice before adopting the order. Ms. Ostby believes Section 82-11-141, M.C.A. requires that a person make application to establish spacing and provide personal notice to all interest owners. She believes the Board comes under "person" and is required to give individual notice. But statute also says the Board can take action upon its own motion or upon the application of an interested person. Mr. Peterson believes the appropriate part that applies to Board is the phrase "on its own motion". The work of the Board is sometimes done by administrative approval, as was done in 2005 in the Havre area. He disagrees with Ms. Ostby. He thinks the Board provided notice in an appropriate manner. He does not recommend a rehearing.

Mr. Efta asked Ms. Ostby if there would be new evidence if the rehearing was granted. Ms. Ostby said the new evidence would be her responses to BOGC's legal opinion. She is still also unclear as to how the BOGC provided evidence upon which it made its decision. Ms. Ostby said since the Board took it on its own motion the Board has the burden of proof regarding protection of correlative rights. She did not see any evidence provided by the Board to substantiate protection of correlative rights

Chairman Nelson requested a motion to rehear. None was offered. The rehearing on Docket 462-2011 was not granted.

#### FINANCIAL REPORT

Ms. Perrigo presented the financial report attached as Exhibit 5. Mr. Gunderson did not see the Tongue River Information Project on the contract list and asked if the project was finished. Mr. Richmond said it is for now. The Governor's office did not approve the request for proposals that was submitted to fund the project again. The Governor wanted industry to contribute funds to the project. Mr. Richmond discussed it with HydroSolutions and they did not think they could secure funds from industry. So no RFP was issued and the project will not be funded. Mr. Richmond may want to do a small contract for a summary report, and there is equipment that was given to the project by Fidelity that would need to be retrieved.

#### BOND SUMMARY

Mr. Halvorson presented the Bond Summary which is attached as Exhibit 6. The majority of new bonds are for injection wells.

#### DOCKET SUMMARY

Mr. Halvorson presented the docket summary which is attached as Exhibit 7 and includes a hearing summary, a list of dockets on the Default Docket, a list of dockets to be heard, and a list of the disposition of all dockets on the pink sheet.

#### STAFF REPORTS

Mr. Sasaki said someone ran into and destroyed the brick sign in front of the Billings Oil & Gas Conservation office building. He has been working with Progressive, the driver's insurance company, and they sent a check for \$1159.53 to cover the damages. Mr. Richmond wants to get a metal sign instead of another masonry one.

Mr. Richmond said he has been doing a lot of public outreach in the last few months. It seems to be going well, and he continues to get a lot of requests to speak. Drilling and hydraulic fracturing are what people want to hear about.. He will be going to Chouteau at the end of March to talk about spacing and what the Board does. Mr. Efta asked if he gets tax questions. Mr. Richmond said a lot of the questions are along the lines of “why are all the rigs in North Dakota” and “why doesn’t Montana lower its tax rates like North Dakota did”. Mr. Richmond tells them the tax rate in North Dakota is 11.5 percent, while it is 9.5 percent with an 18 month holiday in Montana. Mr. Richmond said one of the first things he does at a speech is put up a cross section of the Bakken, which shows it is 170’ thick in North Dakota and 60’ thick in Montana, and then asks the audience which state they would drill in first.

Mr. Richmond said the DNRC is beginning the Executive Planning Process (EPP), where the budget and legislation is prepared for the next legislative session. He does not have any plans to propose legislation, but if Board members can think of something that would make the Board’s statutes more clear this is the time to bring it up. He has considered a statute change so the Board would not have to apply for the priority grants it gets from CARDD. He thinks it would be more efficient if those funds were just put in the Board’s damage mitigation account every two years and orphan well plugging was done that way.

Mr. Smith suggested RIT funds be used to plug wells on the reservation -- like old oil wells drilled in the 20’s in the Ragan and South Cut Bank fields. He said operators on the reservation are taxed; royalties are not. Mr. Richmond said tribes can apply for CARDD grants too. Mr. Richmond said maybe Alice Stanley from CARDD could do a workshop. Mr. Smith thinks that is a good idea.

Mr. Peterson advised the Board on the status of the sage grouse case, where the adequacy of the Board’s environmental assessments for drilling permits was challenged. The Board won at district court before Judge Hagel, but the decision was appealed. He has oral arguments in front of the Supreme Court in April. He thinks they have live stream and people can watch if they are interested. He will make sure Mr. Richmond and Mr. Halvorson know the dates and can pass them on.

Mr. Smelser discussed plans for the June hearings in Sidney. Nothing will be planned for Tuesday night or Wednesday morning. He will try to get the event center again, but we may have to go to the Montana State Research site. Ms. Perrigo said arrangements have been made for rooms at the new hotel

With no further business, the meeting adjourned at 4pm.

#### PUBLIC HEARING.

The Board reconvened at the Board’s hearing room at its office at the 2535 St. Johns Avenue in Billings Montana, at 8:00 am on Thursday, March 8, 2012 to hear the matters docketed for public hearing. As a result of the discussion, testimony and technical data placed before the Board, the following action was taken in each matter.

Docket No. 1-2012 – The request for a rehearing on the application of Montana Board of Oil & Gas Conservation was not approved.

Docket No. 2-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 1-2012.

Docket No. 3-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 2-2012.

Docket No. 4-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 3-2012.

Docket No. 5-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 4-2012.

Docket No. 6-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 5-2012.

Docket No. 7-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 6-2012.

Docket No. 8-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 7-2012.

Docket No. 9-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 8-2012.

Docket No. 10-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 9-2012.

Docket No. 11-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 10-2012.

Docket No. 12-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 11-2012.

Docket No. 13-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Fidelity Exploration & Production Company was approved as set forth in Board Order 12-2012.

Docket No. 14-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of EOG Resources, Inc. was approved as set forth in Board Order 13-2012.

Docket No. 15-2012– The application of XTO Energy Inc. was continued to the April 2012 hearing.

Docket No. 16-2012 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 14-2012.

Docket No. 17-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 15-2012.

Docket No. 18-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 16-2012.

Docket No. 19-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. King and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 17-2012.

Docket No. 20-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 18-2012.

Docket No. 21-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 19-2012.

Docket No. 22-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 20-2012.

Docket No. 23-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 21-2012. Mr. King voted no.

Docket No. 24-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 22-2012. Mr. King recused himself.

Docket No. 25-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson, but failed on a tie vote. The application of Oasis Petroleum, Inc. was denied as set forth in Board Order 23-2012. Mr. King recused himself. Chairman Nelson, Mr. Efta and Mr. Smelser voted no.

Docket No. 26-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 24-2012. Mr. King recused himself.

Docket No. 27-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 25-2012. Mr. King recused himself.

Docket No. 28-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson, but failed on a tie vote. The application of Oasis Petroleum, Inc. was denied as set forth in Board Order 21-2012. Mr. King recused himself. Chairman Nelson, Mr. Efta and Mr. Smelser voted no.

Docket No. 29-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 27-2012

Docket No. 30-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 28-2012

Docket No. 31-2012 – The application of Oasis Petroleum, Inc. was continued to the April 2012 hearing.

Docket No. 32-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 29-2012.

Docket No. 33-2012 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 30-2012.

Docket No. 34-2012 – The application of Oasis Petroleum, Inc. was continued to the April 2012 hearing.

Docket No. 35-2012 – The application of Oasis Petroleum, Inc. was continued to the April 2012 hearing.

Docket No. 36-2012 -- A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 31-2012. Mr. Smelser voted no.

Docket No. 37-2012 -- A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 32-2012.

Docket No. 38-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 33-2012.

Docket No. 39-2012 – The application of Slawson Exploration Company was continued to the April 2012 hearing.

Docket No. 40-2012 -- A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 34-2012.

Docket No. 41-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 35-2012.

Docket No. 42-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 36-2012.

Docket No. 43-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 37-2012.

Docket No. 44-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company as set forth in Board Order 38-2012.

Docket No. 45-2012 – The application of Slawson Exploration Company was continued to the April 2012 hearing.

Docket No. 46-2012 – The application of Slawson Exploration Company was continued to the April 2012 hearing.

Docket No. 47-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 48-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 49-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 50-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.



Docket No. 51-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 52-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 53-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 54-2012 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 55-2012 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 56-2012 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 57-2012 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 58-2012 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 59-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 39-2012.

Docket No. 60-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 40-2012.

Docket No. 61-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. King and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 41-2012.

Docket No. 62-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 42-2012.

Docket No. 63-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 43-2012.

Docket No. 64-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 44-2012.

Docket No. 65-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 45-2012.

Docket No. 66-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 46-2012.

Docket No. 67-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 47-2012.

Docket No. 68-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 48-2012.

Docket No. 69-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 49-2012.

Docket No. 70-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 50-2012. Mr. King recused himself.

Docket No. 71-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 51-2012. Mr. King recused himself.

Docket No. 72-2012 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 52-2012. Mr. King recused himself.

Docket No. 73-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 53-2012.

Docket No. 74-2012 – A motion was made by Mr. Efta, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 54-2012.

Docket No. 75-2012 – A motion was made by Mr. Efta, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 55-2012.

Docket No. 76-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Primary Petroleum Company (USA), Inc. was approved as set forth in Board Order 56-2012.

Docket No. 77-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Armstrong Operating, Inc. as set forth in Board Order 57-2012.

Docket No. 78-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 58-2012.

Docket No. 79-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 59-2012.

Docket No. 80-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 60-2012.

Docket No. 81-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 61-2012.

Docket No. 82-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 62-2012.

Docket No. 83-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 63-2012.

Docket No. 84-2012 – A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the application of True Oil LLC as set forth in Board Order 64-2012.

Docket No. 85-2012– The application of True Oil LLC was continued to the April 2012 hearing.

Docket No. 86-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Abraxas Petroleum Corporation was approved as set forth in Board Order 65-2012.

Docket No. 87-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Abraxas Petroleum Corporation was approved as set forth in Board Order 66-2012.

Docket No. 88-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Abraxas Petroleum Corporation was approved as set forth in Board Order 67-2012.

Docket No. 89-2012– The application of Highline Exploration, Inc. was continued to the April 2012 hearing.

Docket No. 90-2012– The application of Sands Oil Company was continued to the April 2012 hearing.

Docket No. 91-2012– The application of Shadwell Resources Group, LLC was continued to the April 2012 hearing.

Docket No. 92-2012– The application of Shadwell Resources Group, LLC was continued to the April 2012 hearing.

Docket No. 93-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 68-2012.

Docket No. 94-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 69-2012.

Docket No. 95-2012 & 23-2012 FED – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 96-2012 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 70-2012.

Docket No. 97-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 98-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 71-2012.

Docket No. 99-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 100-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 101-2012 – The application of Continental Resources, Inc. was withdrawn.

Docket No. 102-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 103-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 104-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 105-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 106-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 107-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 108-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 109-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 110-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 111-2012 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 112-2012 – The application of Central Montana Resources LLC was continued to the April 2012 hearing.

Docket No. 113-2012 – The application of Central Montana Resources LLC was continued to the April 2012 hearing.

Docket No. 114-2012 – The application of Central Montana Resources LLC was continued to the April 2012 hearing.

Docket No. 314-2010 – The application of Slawson Exploration Company, Inc. was continued to the April 2012 hearing.

Docket No. 63-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 64-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 65-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 69-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 72-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 73-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 74-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 77-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 78-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 79-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 80-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 81-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 82-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 83-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 299-2011 – The application of Central Montana Resources LLC was continued to the April 2012 hearing.

Docket No. 302-2011 – The application of G3 Operating, LLC was continued to the April 2012 hearing.

Docket No. 335-2011 – The application of Samson Resources Company was withdrawn.

Docket No. 357-2011 – The application of Continental Resources, Inc. was continued to the April 2012 hearing.

Docket No. 394-2011 – The application of TOI Operating was continued to the April 2012 hearing.

Docket No. 404-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 405-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 409-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 410-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 411-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 420-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 422-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 426-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 427-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 432-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 444-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 72-2012. Mr. Smith and Mr. King recused themselves.

Docket No. 446-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 479-2011 & 7-2012 FED – The application of Triangle Petroleum Corporation was continued to the April 2012 hearing.

Docket No. 487-2011 – The application of Central Montana Resources, LLC was continued to the April 2012 hearing.

Docket No. 503-2011 – The application of Whiting Oil and Gas Corporation was withdrawn.

Docket No. 505-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 508-2011 – The application of Brigham Oil & Gas, LP was continued to the April 2012 hearing.

Docket No. 509-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 511-2011 – The application of Brigham Oil & Gas, LP was withdrawn.

Docket No. 533-2011 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 73-2012.

Docket No. 533-2011 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 74-2012.

Docket No. 540-2011 & 1-2006 FED – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 75-2012. The order pertaining to federal lands contained in this application will be issued by the Bureau of Land Management of the United States Department of the Interior.

Docket No. 543-2011 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 76-2012.

Docket No. 546-2011 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 77-2012. Mr. King recused himself.

Docket No. 552-2011 & 16-2012 FED – The application of Decker Operating Company was continued to the April 2012 hearing.

Docket No. 561-2011 – The application of Oasis Petroleum, Inc. was continued to the April 2012 hearing.

Docket No. 567-2011 – The application of Oasis Petroleum, Inc. was withdrawn.

Docket No. 115-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to forfeit the bond of Athena Energy LLC as set forth in Board Order 78-2012.

Docket No. 116-2011– A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, that an intent to abandon the Walker 44-2 well in Section 2, T19N-R53E, Dawson County, Montana, must be received in the Billings office by close of business on Thursday, March 29, 2012, or a show-cause hearing for failure to plug and abandon the well will be scheduled for the Board's April 2012 public hearing.

NEXT MEETING

The next business meeting of the Board will be Wednesday, April 25, 2012 at 2:00 p.m. at Montana Tech Natural Resources Building in Butte, Montana. The next regular public hearing will be Thursday, April 26, 2012, beginning at 8:00 a.m. at Montana Tech Natural Resources Building in Butte, Montana. The filing deadline for the March 26, 2012, public hearing is March 29, 2012.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman  
Wayne Smith, Vice-Chairman  
Don Bradshaw  
Ronald S. Efta  
Jay Gunderson  
Jack King  
Bret Smelser

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary