

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
April 25, 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, April 25, 2012, in Room 122 of the Natural Resources Building on the campus of Montana Tech in Butte, Montana. Board members present were Chairman Nelson, Don Bradshaw, Ronald S. Efta, Jay Gunderson, Jack King and Bret Smelser. Board member Wayne Smith was absent. Staff present was Jim Halvorson, George Hudak, Gary Klotz, Terri Perrigo, Clyde Peterson, Tom Richmond and Steve Sasaki.

APPROVAL OF MINUTES

A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the minutes of the March 7, 2012 business meeting.

PUBLIC COMMENT

Senator Jim Keane – SD 38 - Butte

Senator Keane was present to welcome the Board to Butte. He said eight years ago the Natural Resources Building was not planned and no one was even thinking about it. It took a couple of years to put the financing in place and now this facility has been used for Board of Oil & Gas meetings and for legislative committee meetings. Butte is ground-zero of natural resources development in the state of Montana. The frac sand project that will be presented to the Board today is near and dear to his heart because finding frac sand in Montana would be good for everyone. Development is what this building is about. A lot of what happens in Eastern Montana will be developed here and people will be trained here. Once again he thanks the Board for coming to Butte and he reiterated how proud they are of this building. Bipartisan support and cooperation from industry is what made the Natural Resources Building possible.

Leo Heath – Elm Coulee EOR Study

Mr. Heath gave an update of the Elm Coulee EOR study which is attached as Exhibit 1. He said there are over 700 wells in Elm Coulee Field, and the intent of the study is to visit at least the nine major operators in the field (there are 18 total operators) to let them know what is being done in the study and to let them know their input is welcome.

Mr. King asked what the oversight process is as the study continues. Mr. Heath said Mr. Richmond is the point person on this part of the plan, and he has not really spent much time on this yet. At the very least an annual report near the end of each year and any interim reports the Board wants.

John Getty – Field Inspection Study

Mr. Getty gave a power point presentation on the status of the field inspection study, a copy of which is attached as Exhibit 2. He said Phase I of the project will be to develop the scope of work and write specifications; while Phase II will be implementation of the project. The team went into the field with Inspector Klotz and identified some issues: a) repetitive data collection; b) no real formal process;

c) eminent retirements; d) data not readily accessible on web; and e) that the impact of the Legislative Audit recommendations will not be a trivial matter.

The team believes there are three approaches that could be taken: 1) a paper-based inspection system like is currently in place; 2) development of a computer based acquisition system which seems advantageous because there is less duplicative work and instantaneous reports; or 3) a paper based that evolves into a computer based one.

The team's final report is expected to be presented at the Board's Sidney hearing.

Pascual Laborda of the BLM asked if the team had looked at the BLM AFMSS (automated fluid minerals support system). Mr. Getty said they did not look at BLM systems, they looked at RBDMS states.

Mr. Richmond – Senator Keene Frac Sand Project

Mr. Richmond said there is a proposal for a study to look at sources of possible frac sand in Montana. The proposal is big (money-wise, and it would be a three-year long two-phase project. The total cost of the project was originally estimated at \$380,000. The first phase would cost \$150,000 and would survey the state to find good deposits. The first year it would be determined if any of the deposits would qualify as good proppant. Proppant is used to hold fractures open and allows higher permeability and flow back. There will be a formal presentation to the Board in June regarding the project.

Professor John Evans of MT Tech was also present to discuss the project. He said materials come into the Tech proppant testing lab, and it is obvious that MT is not a player in the supply of frac sand. Frac jobs can pump 3 million pounds of frac sand. At 10 cents per pound to purchase the sand, this could be a huge economic benefit to MT. The Bureau of Mines and Petro Hunt are looking at formations around the state to determine places where possible sources of frac sand could be obtained.

Mr. Smelser wanted to know if they would be looking at artificial sources of frac proppant. Mr. Evans said no, right now they would only be looking at native material – nothing synthetic. Mr. Efta wanted to know if they have looked at slag piles as a possible source. Mr. Evans said no because the slag is glassy and porous and has no strength. Chairman Nelson asked how they decide where to look for sand. Mr. Evans said the Bureau of Mines has identified formations they think could qualify and they gave him a map of outcroppings plus a list of alluvials that could be used.

BIG SNOWY RESOURCES LP

Mr. Halvorson said no one was present from Big Snowy Resources LP. He was contacted yesterday by the person who brought the issue up and they said they were going to handle it in district court. Mr. Halvorson said two different people are in charge at Big Snowy: John Campbell and Randy Seeley. There is one bond - for one company named Big Snowy. But in the past some of the properties were spun off to a different company, but are still on the original bond. The issue came up in terms of well reporting because we got a request NOT to let someone sign the reports for the company. We may have to require a separate bond at some point.

FINANCIAL REPORT

Ms. Perrigo presented the financial report attached as Exhibit 3

BOND SUMMARY

Mr. Halvorson presented the Bond Summary which is attached as Exhibit 4.

DOCKET SUMMARY

Mr. Halvorson presented the docket summary which is attached as Exhibit 5. He also discussed Exhibits 6, 7, & 8, the default docket list, the list of dockets to hear, and the full docket list showing status of all dockets on the pink sheet.

STAFF REPORTS

Mountain Pacific General, Inc. Mr. Sasaki introduced Danny Murphy who gave a status update on Mountain Pacific General, Inc. They are in line to be in compliance with Board Order 257-2011 which requires that Mountain Pacific plug three wells by August 2012 and that their ordered, but not yet implemented, bond increase to \$250,000 shall be reviewed at that time also.

Somont Oil Company

Mr. Sasaki said Somont Oil Company drilled the Beaupre 2 well at an illegal location, and then drilled the Beaupre 2X well without a valid permit. Mr. Sasaki distributed Exhibit 9, a letter to Mr. Joe Alborano of Somont from Field Supervisor Gary Klotz regarding these matters and the supporting documentation. Mr. Klotz and Mr. Alborano were present. Mr. Sasaki recommended a fine of \$1600: \$500 for drilling the Beaupre 2 at an illegal location, and \$1100 for drilling the Beaupre 2X without a valid drilling permit (\$100 per day for the 11 days from drill start to issuance of a valid permit). He also reminded Somont to make sure the Shelby inspectors get notice of drilling within 72 hours of spud.

MOTION: Mr. Smelser made a motion, seconded by Mr. Efta and unanimously passed, to fine Somont Oil Company \$1600 for drilling at an illegal location and for drilling without a valid permit.

Copenhaver letter. Mr. Sasaki distributed Exhibit 10, a letter and other documents received from Mark Copenhaver, a surface owner, complaining about the operations of G/S Producing Inc. in regard to the drilling of the Weil #1 well in Section 28, T34N-R9E. Mr. Sasaki said Mr. Copenhaver claims G/S did not comply with the provisions of Section 82-10-503, M.C.A. Notice of drilling operations. He claims he did not get proper notice. He wants the Board to review his complaint and consider restraining and sanctioning G/S for failure to comply.

Mr. Richmond said one of the results of the split estates study was that failure to give notice is a violation of Board rules. He recommends this matter be docketed for hearing.

Mr. Peterson said the Board needs to find out the facts. Mr. Sasaki said Mr. Standiford of G/S admitted to him he did not give proper notice. Mr. Peterson said the Board could docket but hopefully the parties, with Mr. Sasaki's help, could work out something between them before next hearing.

Mr. King said he knows of no other way but show-cause but he thinks the settlement cost for G/S would be less than it will cost to show up at hearing. Mr. Sasaki said he will talk to Mr. Copenhaver and see if everyone can work together.

It was the consensus of the board to docket this matter for show-cause hearing in June.

Cabot Oil & Gas Corporation – Mr. Sasaki said Cabot is delinquent in filing reports. He handed out Exhibit 11, a letter sent to Cabot four times regarding the need to submit the reports. Mr. Sasaki recommended a \$100 fine that has to be in by the filing deadline for June (May 17).

Mr. King made a motion, seconded by Mr. Bradshaw, to fine Cabot \$200 for failure to submit the reports. Mr. Gunderson made a substitute motion to amend the fine amount to \$500. The vote on acceptance of the substitute motion passed with four members voting yes (Nelson, Efta, Gunderson and Smelser) and two members voting no (Bradshaw and King)

MOTION: Mr. Gunderson made a motion, seconded by Mr. Efta, and passed, to fine Cabot Oil & Gas \$500, which is due by the May 17 filing deadline for the June hearing. Mr. King and Mr. Bradshaw voted no.

Longshot Oil LLC – Longshot is also delinquent in filing reports. Mr. Sasaki handed out Exhibit 12, the letter sent four times to Longshot Oil regarding the need to submit the reports.

MOTION: Mr. Gunderson made a motion, seconded by Mr. Efta, and passed, to fine Longshot Oil LLC \$500, which is due by the May 17 filing deadline for the June hearing. Mr. King voted no.

TOI Operating – Mr. Sasaki said the field inspectors are seeing things in the field with TOI again. When they question TOI about issues they promise to get them taken care of but it don't. Ron Prevost, the Board's Sidney field inspector stated there are outstanding issues on TOI producing properties in his area (Montana Ag Station 28-41 and Theil 14-23) and John Gizicki the Board's Miles City field inspector said he has issues with two also (Moerman Fee 14-30 and Wojahn A 5-2). Mr. Prevost also stated that his deficiency notices are not being responded to in a timely fashion. Mr. Sasaki recommended that TOI be given until the May 17, 2012 docket deadline to correct deficiencies outlined by the field inspectors, otherwise to docket for show-cause at the Sidney hearing.

MOTION: Mr. King made a motion, seconded by Mr. Smelser and unanimously passed, to schedule TOI for a show-cause hearing for June if all its field compliance issues are not resolved to the inspector's satisfaction by May 17, 2012.

Native American Energy – Mr. Sasaki said there are issues with Native American's properties in McCone County. Mr. Prevost, the Sidney inspector, said that Native American Energy has not addressed cleanup deficiencies identified as far back as January 2012 on the S. Wright 5-35 well. The same lack of response exists with the Beery 2 and 22-24 well locations. Mr. Sasaki recommended that Native American Energy be given until the May 17, 2012 docket deadline date to correct deficiencies on both wellsites outlined by the field inspector, otherwise they will be docketed for show-cause at the Sidney hearing.

MOTION: A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to schedule Native American Energy Corporation for show-cause hearing for June if its field issues are not resolved to the inspector's satisfaction by May 17, 2012.

Mr. Richmond reported the parking lot at the Billings office has been redone. It was one of the final components of the building remodel project and all that is left now before close-out is a sprinkler system and fence repair.

Mr. Richmond will be filling a permit clerk position in the Billings office. It will probably be part time at first, with the possibility of going fulltime in the future.

Ms. Perrigo talked about accommodations and plans for the Sidney trip in June.

Leo Heath said the Butte oil and gas operators (Omimex, Jettco and NW Energy) were sponsoring a reception in the lobby immediately following the business meeting. This will be in conjunction with the student poster presentations and all are welcome to attend.

With no further business, the meeting adjourned to the lobby at 3:55 pm.

PUBLIC HEARING.

The Board reconvened at the in the Natural Resources Building on the campus of MT Tech in Butte, Monjtana, 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. 140-2012 – 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 102-2012.

Docket No. 141-2012 – 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 103-2012.

Docket No. 142-2012 – 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 104-2012.

Docket No. 143-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 105-2012. Mr. King recused himself.

Docket No. 144-2012 – 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 106-2012.

Docket No. 145-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to deny the application of Fidelity Exploration & Production Company as set forth in Board Order 107-2012.

Docket No. 146-2012 – 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 108-2012.

Docket No. 147-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to deny the application of Fidelity Exploration & Production Company as set forth in Board Order 109-2012. Mr. King recused himself.

Docket No. 148-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to deny the application of Fidelity Exploration & Production Company as set forth in Board Order 105-2012.

Docket No. 149-2012 – 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 111-2012.

Docket No. 150-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to deny the application of Fidelity Exploration & Production Company as set forth in Board Order 112-2012.

Docket No. 151-2012 – 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 113-2012.

Docket No. 152-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 153-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 154-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 155-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 156-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 157-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 158-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 159-2012– The application of EOG Resources, Inc. was continued to the June 2012 hearing.

Docket No. 160-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 114-2012.

Docket No. 161-2012 – 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 115-2012.

Docket No. 162-2012 – 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 116-2012.

Docket No. 163-2012 – 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 117-2012.

Docket No. 164-2012 – 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 118-2012.

Docket No. 165-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 119-2012.

Docket No. 166-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 120-2012.

Docket No. 167-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 121-2012.

Docket No. 168-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 122-2012. Mr. King recused himself.

Docket No. 169-2012 – 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 123-2012. Mr. King recused himself.

Docket No. 170-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 124-2012.

Docket No. 171-2012 – 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 125-2012.

Docket No. 172-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 126-2012.

Docket No. 173-2012 – 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 127-2012.

Docket No. 174-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 128-2012. Mr. King recused himself.

Docket No. 175-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 129-2012. Mr. King recused himself.

Docket No. 176-2012 – 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 130-2012.

Docket No. 177-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 131-2012.

Docket No. 178-2012 – 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 132-2012.

Docket No. 179-2012 – 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 133-2012.

Docket No. 180-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 134-2012.

Docket No. 181-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 135-2012.

Docket No. 182-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 136-2012.

Docket No. 183-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 137-2012. Mr. King recused himself.

Docket No. 184-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 138-2012. Mr. King recused himself.

Docket No. 185-2012 – 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 139-2012.

Docket No. 186-2012 – 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 Cirque Resources LP was approved as set forth in Board Order 140-2012.

Docket No. 187-2012 – 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 Cirque Resources LP was approved as set forth in Board Order 141-2012.

Docket No. 188-2012 – 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 Cirque Resources LP was approved as set forth in Board Order 142-2012.

Docket No. 189-2012 – 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 Cirque Resources LP was approved as set forth in Board Order 143-2012.

Docket No. 190-2012 – Board staff placed the 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 Cirque Resources LP was approved as set forth in Board Order 144-2012.

Docket No. 191-2012 – The application of Cirque Resources LP was withdrawn.

Docket No. 192-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 145-2012.

Docket No. 193-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 146-2012.

Docket No. 194-2012 – Board staff placed the amended 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 147-2012.

Docket No. 195-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 148-2012.

Docket No. 196-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 149-2012.

Docket No. 197-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 198-2012 – The application of Slawson Exploration Company, Inc. was continued to the June 2012 hearing.

Docket No. 199-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 150-2012.

Docket No. 200-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 151-2012.

Docket No. 201-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 152-2012.

Docket No. 202-2012 – 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 153-2012.

Docket No. 203-2012 – Board staff placed the amended 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 154-2012.

Docket No. 204-2012 – Board staff placed the amended 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 Slawson Exploration Company, Inc. was approved as set forth in Board Order 155-2012.

Docket No. 205-2012 – 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 156-2012.

Docket No. 206-2012 – 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 157-2012. Mr. King recused himself.

Docket No. 207-2012 – A motion was made by Mr. King, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 158-2012.

Docket No. 208-2012 – A motion was made by Mr. King, seconded by Mr. Gunderson and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 159-2012.

Docket No. 209-2012 – A motion was made by Mr. King, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 160-2012.

Docket No. 210-2012 – 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 161-2012. Mr. King recused himself.

Docket No. 211-2012 – 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 162-2012. Mr. King recused himself.

Docket No. 212-2012 – 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 163-2012.

Docket No. 213-2012 – 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 164-2012. Mr. King recused himself.

Docket No. 214-2012 – The application of Whiting Oil and Gas Corporation was withdrawn.

Docket No. 215-2012 & 24-2012 FED – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Marathon Oil Company as set forth in Board Order 165-2012.

Docket No. 216-2012 – 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 Keesun Corporation was approved as set forth in Board Order 166-2012.

Docket No. 217-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 167-2012.

Docket No. 218-2012 – 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 BOH Inc. was approved as set forth in Board Order 168-2012.

Docket No. 219-2012 – 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 BOH Inc. was approved as set forth in Board Order 169-2012.

Docket No. 220-2012 – 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 BOH Inc. was approved as set forth in Board Order 170-2012.

Docket No. 221-2012 – 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 Central Montana Resources LLC was approved as set forth in Board Order 171-2012.

Docket No. 222-2012 – 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 Central Montana Resources LLC was approved as set forth in Board Order 172-2012.

Docket No. 223-2012 – 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 Cornerstone Natural Resources LLC was approved as set forth in Board Order 173-2012.

Docket No. 224-2012 – 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 Cornerstone Natural Resources LLC was approved as set forth in Board Order 174-2012.

Docket No. 225-2012 – 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 Cornerstone Natural Resources LLC was approved as set forth in Board Order 175-2012.

Docket No. 226-2012 & 25-2012 FED – A motion was made by Mr. Bradshaw, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 176-2012.

Docket No. 227-2012 – 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 177-2012.

Docket No. 228-2012 & 26-2012 FED – 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 178-2012.

Docket No. 229-2012 & 4-2012 FED – 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 179-2012.

Docket No. 230-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Brigham Oil & Gas, LP. as set forth in Board Order 180-2012.

Docket No. 231-2012 – The application of Brigham Oil & Gas LP was continued to the June 2012 hearing.

Docket No. 232-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 181-2012.

Docket No. 233-2012 – The application of Brigham Oil & Gas LP was continued to the June 2012 hearing.

Docket No. 234-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 182-2012.

Docket No. 235-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 183-2012. Mr. King recused himself.

Docket No. 236-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 184-2012.

Docket No. 237-2012 – The application of Brigham Oil & Gas LP was continued to the June 2012 hearing.

Docket No. 238-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 185-2012. Mr. King recused himself.

Docket No. 239-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Brigham Oil & Gas LP as set forth in Board Order 186-2012.

Docket No. 240-2012 – 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 Shakespeare Oil Company, Inc. was approved as set forth in Board Order 187-2012.

Docket No. 241-2012 – The application of Sagebrush Resources II, LLC was continued to the June 2012 hearing.

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

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

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

Docket No. 357-2011 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 188-2012.

Docket No. 394-2011 – A motion was made by Mr. King, seconded by Mr. Gunderson and unanimously passed, to continue the application of TOI Operating to the June 2012 hearing as set forth in Board Order 189-2012.

Docket No. 409-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 410-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 411-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 420-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 426-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 427-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 429-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 432-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 446-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 479-2011 & 7-2012 FED – 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 Triangle Petroleum Corporation was approved as set forth in Board Order 190-2012.

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

Docket No. 505-2011 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 508-2011 – The application of Brigham Oil & Gas LP was withdrawn.

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

Docket No. 561-2011 – The application of Oasis Petroleum, Inc. was withdrawn.

Docket No. 15-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 191-2012. Mr. King recused himself.

Docket No. 31-2012 – 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 192-2012.

Docket No. 34-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 193-2012.

Docket No. 35-2012 – A motion was made by Mr. King, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 194-2012.

Docket No. 39-2012 – 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 Slawson Exploration Company was approved as set forth in Board Order 195-2012.

Docket No. 47-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 48-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 49-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 50-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 51-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 52-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 53-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 54-2012 – The application of Brigham Oil & Gas LP was withdrawn.

Docket No. 85-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of True Oil LLC as set forth in Board Order 196-2012.

Docket No. 89-2012 – The application of Highline Exploration, Inc. was withdrawn.

Docket No. 90-2012 – 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 Sands Oil Company was approved as set forth in Board Order 197-2012.

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

Docket No. 92-2012 – 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 Shadwell Resources Group, LLC was approved as set forth in Board Order 198-2012.

Docket No. 97-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 199-2012.

Docket No. 99-2012 – 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 200-2012.

Docket No. 100-2012 – 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 201-2012.

Docket No. 102-2012 – 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 202-2012.

Docket No. 103-2012 – 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 203-2012.

Docket No. 104-2012 – 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 204-2012.

Docket No. 105-2012 – 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 205-2012.

Docket No. 106-2012 – 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 206-2012.

Docket No. 107-2012 – 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 207-2012.

Docket No. 108-2012 – 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 208-2012.

Docket No. 109-2012 – 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 209-2012.

Docket No. 110-2012 – 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 210-2012.

Docket No. 111-2012 – 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 211-2012.

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

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

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

NEXT MEETING

The next business meeting of the Board will be Wednesday, June 13, 2012 at 2:00 p.m. at the Fairgrounds Commercial Building in Sidney, Montana. The next regular public hearing will be Thursday, June 14, 2012, beginning at 8:00 a.m. at Fairgrounds Commercial Building in Sidney, Montana. The filing deadline for the June 14, 2012, public hearing is May 17, 2012.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman
Don Bradshaw
Ronald S. Efta
Jay Gunderson
Jack King
Bret Smelser

ATTEST:

Terri H. Perrigo, Executive Secretary