

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
August 8 & 9, 2012

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, August 8, 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, Ronald S. Efta, Jay Gunderson, Jack King and Bret Smelser. Staff present was attorney Chris Buslee, field inspector Bill Halvorson, Jim Halvorson, George Hudak, Terri Perrigo, Tom Richmond and Steve Sasaki.

APPROVAL OF MINUTES

A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the minutes of the June 13, 2012 business meeting.

PUBLIC COMMENT

Notice

Dwight Vannatta appeared on behalf of himself and the Northeastern Montana Land & Mineral Owners Association, Inc. (NEMLMOA) Mr. Vannatta said it is the NEMLMOA understanding there is no longer a rule requiring notice. He and the NEMLMOA would like the Board to reinstate the written notice requirement to mineral owners regarding temporary spacing of 1280's. This has become a problem since the Board adopted 1280's as the statewide spacing for Bakken in Richland, Roosevelt and southern Sheridan counties. He said there are numerous situations and cases where members, including him, have problems because of failure to know about spacing unit applications and drilling permits. It would minimize and/or eliminate these problems with notification to all mineral and interest owners.

Chairman Nelson asked Mr. Richmond if the Board quit requiring notice on 1280's. He said no. He said there is a statutory requirement to notify all mineral owners whenever there is an application for temporary or permanent spacing. Statewide spacing rules are found at 36.22.702. Any unit applied for that conforms to statewide spacing for that depth can be approved administratively. If a company applies to space anything OTHER than statewide their application must go before the Board and all mineral and other interest owners in the proposed non-statewide spacing unit must receive written notice of the application. The only thing that has changed since adoption of Board Order 380-2011 is that now 1280's are statewide spacing for Bakken wells in Richland, Roosevelt and southern Sheridan counties. So there is no need for companies to apply for spacing with Board – the lands are already temporarily spaced. And since they are already temporarily spaced, there is no requirement to send written notice to mineral and other interest owners. The only notice that will be given now in

those situations is the publication of the notice of intent to drill in the county paper and the Helena Independent record. There still is a step – permanent spacing – when written notice must be given to mineral and other interest owners.

Mr. Halvorson asked Mr. Vannatta to specify when the failure to be notified happened. There have not been any wells permitted under the new statewide spacing yet, so if notice was not received it would be a violation of our rules under the former process.

Mr. Vannatta said it happened to him regarding the Slawson application he protested in Sidney where the well was drilled before a permit was issued. He said he was not the only one in the proposed spacing unit that was not notified. Mr. Halvorson said that spacing unit was done under the former statewide spacing -- not the new one. And in that case the attorney for Slawson submitted an affidavit that notice had been sent to Dwight and Sheila Vannatta.

Mr. Vannatta asked about the requirement that applicants make a good effort to find mineral owners. Mr. Halvorson said statute says that notice has to be given to the address of record at the courthouse.

Mr. Smelser said he had spoken with Dennis Trudell, also of NEMLMOA, and it is his understanding the issue they are objecting to is the way notices are published. NEMLMOA wants some notification other than the newspaper. Instead, they would like to be notified in person. Mr. Vannatta said if mineral owners live out of the area or out of state and don't take the local paper they will not know about it until after the fact.

Mr. Richmond said the notice requirement for spacing is in statute – the Board cannot restrict or broaden it. The request NEMLMOA has made (that written notice must be provided to mineral and other interest owners for statewide spacing also) would affect the entire state, not just the 1280's in Eastern Montana. There is still written notice provided for permanent spacing. He does not think the NEMLMOA suggestion is a good one. The Board cannot just "remodel" the statute passed by the Legislature.

Mr. Smelser asked attorney John Lee his opinion on the present system. Mr. Lee said for at least 12 years now, with the exception of a handful of mineral owners, it seems to work real well. He talked about the benefits of 380-2011, which include a fair degree of certainty for operators on how the Board will act and that helps a lot. It is oftentimes a huge task to determine ownership in these 1280's. He would like the Board to continue doing what it is doing. There are a lot of ways for people to find out about intent to drill a well on statewide spacing

Mr. Richmond said the notice that created the special statewide spacing in those three counties went out to a lot of people. Temporary spacing units were established in those areas by Board Order 380-2011. All people have to do is read the order and they can see whether or not their lands are in the area that was spaced. There has been continuous notice since December 2011 because that was when the order was approved. They have already been given notice of the temporary spacing. The order is

out there. It is published, it is on the website, and people can look up the order to see if their land is in a statewide spacing unit. Notice is continuous.

Chairman Nelson said the Board cannot change something the Legislature has done. But if NEMLMOA wants to change the laws they could find a legislator to carry a bill for them.

Mr. Vannatta said NEMLMOA's membership has asked them to try and deal with the issue, because lack of notice means people in the area do not know their lands are already spaced. Mr. King said it might be beneficial to get notice out to rural areas about where the Board website is located if people in the area don't know about it. Chairman Nelson said she has told NEMLMOA numerous times where the website is located and how to access data on it.

Different Spacing Unit Size and Configuration for Bakken horizontal wells

Mr. Vannatta said numerous people in NEMLMOA are concerned because they have considerable acreage tied up because production from one well holds a lease. The lessee may not be interested or willing to drill additional wells on the lease, but other companies would be. NEMLMOA thinks a change to 640-acre stand-ups comprised of two half sections would minimize this problem. With this size and configuration, companies could still get the lateral length they need but it would reduce the amount of acres that could be held by production.

Chairman Nelson said it continually comes up that the Board should require companies to drill additional wells in a spacing unit within a set period of time. She is also concerned that a spacing unit is supposed to be the area one well will drain.

Mr. Richmond said in theory the spacing unit should be the size that – given enough time – one well in a reasonable structural position could drain all the oil in the reservoir. But that could take centuries, and as a practical matter companies do not wait that long. They try to accelerate recovery of reserves. The middle Bakken is a reservoir. It is NOT a shale. If we all lived long enough, that middle Bakken reservoir could be drained with one well. But that is not how it is going to work. He does not know how the Board could craft a requirement to make companies drill wells within a certain time limit. He thinks companies anticipate drilling additional wells in 1280-acre Bakken spacing units, but it is all dependent on economics. Statute is written in a way that if a company thinks it needs more than one well to drain the reservoir they can come to the Board and ask for authority to drill additional wells. Federal and state leases have a due development clause. He does not know if a similar clause is included in private leases. Mr. King said it is heavily inferred and that is a typical issue that ends up in court: the due development clause.

Mr. Vannatta said it is not the position of NEMLMOA to add any burden, but there is a contradiction here. The Board now allows 200' setbacks because industry has convinced it that a well will not drain further than that. But on the other hand the Board is saying one well will drain a 1280 acre spacing unit.

Chairman Nelson thinks this is something the Board should be looking at.

Mr. Richmond said in his almost 31 years with the Board, this is an ongoing argument. Over time, companies will recover all the reserves that are economic to recover in a spacing unit. The Board does not have the authority to speed that along and this will be a continuous argument.

Mr. Efta asked why this suggestion about 640-acre stand-ups was not brought up by anyone during the numerous hearings the Board has had on size of Bakken spacing units over the last years. He feels most people were happy belonging to 1280's

Mr. Vannatta said with all the new technological advancements a lot of people would not know what is possible these days. Also, previously development in NE Montana was spaced and drilled based on depth of well, not length of lateral. Also, there are old wells in higher formations holding leases where other companies could drill Bakken if the lease wasn't held by production.

Chairman Nelson reminded Mr. Vannatta that people need to make sure they have Pugh clauses in their leases. Mr. Vannatta agreed, but said people didn't know about needing a Pugh clause when some of these old leases were entered into.

Mr. Smelser reminded Mr. Vannatta that the Board went to 1280's to mirror North Dakota and to promote orderly development. He thinks what the Board did regenerated Eastern Montana and increased oil production. He said he is not willing to go backward from 1280's. They are being drilled. And if the resources are there, the companies will come back and drill the other wells.

Distribution of avoided privilege and license tax to cities counties

Mr. Smelser asked if there are any plans to increase the Board's distribution percentage of privilege and license taxes. Mr. Richmond said even though the legislature took \$12 million from the Board last session, we should be able to continue at the level we are as long as we have discretion on extra projects. We have 1.5 million per year for education in our budget, but we cannot plan on using it all or we will not have enough cash to cover the cost and we may have to increase our distribution rate.

BOND REPORT & DOCKET SUMMARY

Mr. Halvorson presented the bond report attached as Exhibit 1
He also discussed the docket summary presented as Exhibits 2, 2A and 2B

FINANCIAL STATEMENT

Ms. Perrigo presented the financial report attached as Exhibit 3.

STAFF REPORTS

Encore Energy Partners Operating LLC (Encore)

Mr. Sasaki said Encore spudded the Brutus 1-8 well before their drilling permit was approved. Mr. Sasaki recommended a \$5000 fine. Mr. Sasaki distributed Exhibit 4, which recaps the matter.

Attorney John Lee was present representing Encore. He agrees. There is no debate that the well was spud without a permit. Encore said its permitting agent thought notice provision in Lone Tree Creek Field had been waived; and they were incorrectly notified that they did not need to publish. Mr. Lee is here asking for leniency. He said there have been similar instances where the fine for the same violation was less than \$5000. Mr. Halvorson said the intent is to tie the fine to rig costs so it is to be expected there will be variation across the state. In fairness to Slawson, who was also fined \$5000 for drilling without a permit, he thinks the recommendation is appropriate. Mr. Smelser said consistency is important to him also.

MOTION: A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to fine Encore Energy Partners Operating LLC \$5000 for drilling the Brutus 1-8 well without a valid permit.

Anschutz Exploration Corporation (Anschutz)

Mr. Sasaki reported that Anschutz Exploration Corporation has been delinquent on submitting reports. The letter sent to Anschutz four times since November 2011 regarding the need to submit the reports is attached as Exhibit 5. The completion reports and DST charts were received this week, but still no open hole or other logs have been submitted. He recommended a fine of \$500 to be paid by the filing deadline for the October meeting (Sept 13, 2012) or a show-cause will be scheduled re: this matter for October.

MOTION: A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to fine Anschutz Exploration Corporation \$500 for failure to submit reports. The fine must be paid by Thursday September 13, 2012 or a show-cause hearing will be scheduled for the October 2012 public hearing.

Mr. Sasaki also reported other fines have been received from administrative rules. \$1000 each from Fidelity and Brigham, for not having shut in devices on frac wells. Mr. Richmond said this was one of the requirements in the new hydraulic fracturing rules adopted last fall, and he felt action for failure to comply needed to be taken right away. He also said the office manager also includes the new frac rules in the packet that goes out to operators so they knew about the requirement.

Mr. Sasaki said they are starting the second phase of the Big Wall Tank Battery project. The contractor is into the heart of the old buried pit and there is a lot of old oil and heavy crude that has to be land farmed and put back into the cleaned out pit.

Testing of Service Company Rig Anchors

Mr. Sasaki said he got a request from an operator to look at drafting rules for testing service company rig anchors. He looked at surrounding states and determined neither Wyoming or North Dakota have anything in rule regarding service company rig anchors. Representatives from those states said if anyone asks, they refer them to OSHA standards. **ACTION:** For now, Mr. Sasaki is going to continue reviewing what other states do and report back to the Board at the next business meeting.

List of fines

Mr. Gunderson said he forgets who we fine what and for what. He asked if it would be possible to develop a list of fines and a scale based on severity of how much the Board will assess. **ACTION:** Mr. Sasaki said he will create a list of previous fines over the last four or five years and present it at the next business meeting.

Mr. Smelser asked if the Board could put fine revenue in its account instead of in the general fund. Mr. Richmond said not really. In the past DEQ was accused of trying to fund their programs through fines. Chairman Nelson said the Legislature frowns on it because they think agencies will fine to fill their coffers.

Mr. Efta agrees it is not a good idea. It reminds him of police departments who have to write tickets to fund operations. He does not want to open the Board up to that.

EPA Region 8 Meeting

Mr. Hudak said there will be an EPA Region 8 meeting in Billings in the end of September. It will be in the Board's hearing room and there will be about 20 people from EPA and the other Region 8 states.

Teachers Workshop

Mr. Richmond reported on the 2012 Teachers Workshop. There were 32 teachers this time who took the course, an approximate 50 percent increase in attendance over prior years. He thinks part of the increase was due to the fact that teachers now get two college credits each for attending.

Budget Request for Next Biennium

Mr. Richmond said the Budget Office has gone through our request for next biennium. They did not include the Elm Coulee EOR study in the budget. He does not think they realized that is Senator Keane's pet project. Director Sexton is going to bring this project up again to the budget office to make sure they do not want to include it.

Mr. King asked if the budget included exempt staff salary increases. Mr. Richmond said they are included in a present law adjustment, but not in the regular budget. Chairman Nelson said Director Sexton called her and said the Governor said no salary increases would be allowed for exempt staff. Mr. Richmond said the Board could review the statute (Section 2-15-3303, MCA), which is a little more direct and says the Board may prescribe the duties and annual salary of four professional staff positions.

Mr. King suggested the Board start the salary increase process despite communications otherwise from the DNRC director.

ACTION: Chairman Nelson said she will ask for a memo from Director Sexton saying the Governor said the Board shall not grant increases this year. She also said she carried the bill that put the language in 2-15-3303 about setting salaries because the Legislature wanted the Board to be able to pay its professional staff enough so they would not be attracted away by industry.

ACTION: Mr. Richmond suggested the Board ask legal counsel to write a memo on the Board's authority to set salaries and give raises.

Force Pooling

Chairman Nelson wanted to discuss force-pooling. She thinks the Board is starting to see more force pooling with penalties than ever before.

Mr. Halvorson handed out Exhibit 6, the pooling statute.

Mr. Efta said he has thought about this a lot after last meeting when Brigham had an application to pool with risk penalties almost 19.5 percent of the mineral owners in a spacing unit. This troubles him and he thinks there could be due process issues – especially for non-locatable mineral owners. He thinks operators should have to create a trust with the clerk of district court for non-locatable owners. The clerk of court becomes the trustee and can enter into a lease for them. Mr. Efta does not think the Board should allow companies to impose penalties on unlocatable mineral owners.

Mr. King is also concerned about this, and about the level of due diligence operators are doing to try and locate these mineral owners. Statute says they must notify the owner of record on file in the county clerk and recorder's office. Companies have forced the issue to the point that the Board needs to react. He also thinks that companies are giving more and more "non-decent" lease offers, and then when mineral owners refuse they say they will force pool them. And there is a carrot hanging out there for operators to go the force pool route: they can collect the unleased owner's share of the cost of drilling the well, and then collect another 200 percent of that cost as penalty – essentially a 300 percent charge to the unleased owner(s). So in the case of Brigham who brought in 19.5 percent of the mineral owners to be force pooled, the operator could essentially collect 58.5 percent of the cost of drilling the well from that 19.5 percent. In North Dakota the risk penalty for the unleased mineral owner is 50 percent. There is real incentive in Montana NOT to make an effort to lease by offering marginally acceptable lease terms that no one will accept and then just force pool with penalties. Mr. King said there is a pushback coming. When there is mischief afoot, there is a problem and it is becoming bigger at each hearing. If the Board would start suggesting penalties be 50 percent instead of 200 percent it would catch people's attention.

Mr. Smith asked if there is any discretion regarding the 200 percent penalty. Mr. King said he thinks there is some discretion. He is surprised someone hasn't taken the Board to court on this issue.

Mr. Smith reminded the Board at the last hearing an operator wanted to force pool an unlocatable mineral owner who a Board member knew and knew how to locate. But because statute says notice must only be sent to the address of record in the county, the operator felt they had met the standard of law. Mr. Smith also reminded the Board of the time an operator wanted to force pool Exxon because their notice had come back undeliverable.

Mr. Efta agrees with Mr. King that companies offer less than attractive lease terms hoping the mineral owners will not sign so they can just force pool them with penalties. **ACTION:** He would like discussion of this matter to be a business meeting agenda item for the next meeting.

Mr. Richmond said statute says any force pooling order must include provisions for the operator to recover 100 percent of the refusing owners share and 200 percent penalty.

Mr. Efta feels the Board does have the authority to impose or not impose the risk penalties.

Mr. King said the Board must impose the 100 percent, but he is uncertain about discretion in imposing the 200 percent unless the operator does not request it.

Mr. Gunderson asked if it is possible to treat non-participating mineral owners differently than unlocatable mineral owners.

Mr. Smelser reminded the Board that attorney John Lee has testified that the Board does not have authority to ask about lease terms.

Mr. Richmond said statute does not say anything about an alternative. But he has spoken with Mr. Peterson about it and he thinks there is some flexibility in the statute. Mr. Richmond said the Board's prior attorney, Don Garrity, thought the pooling statute was self-executing and that the Board had no discretion regarding penalties.

Mr. Richmond said there are inequities and differences in states. He thinks the Board could find someone to carry the legislation if it wanted to change the statute.

Mr. Smith said by discussing it at the business meeting industry may not be so quick to continue along the path they have started walking.

Mr. Efta reiterated that he thinks there is a due process issue with anyone who did not receive notice and is force pooled with penalties. He believes operators should create a trust with the district court for the unlocatables. After the trust is formed, if the non-locatables are found they can go to the clerk of court and get their money. He thinks what is happening is problematic and the Board needs to protect direct rights. He will do some homework on this too and present at the next meeting.

Mr. King said his company has been on the side of going to court and getting leases and it does work but it is not simple and takes a lot more time. Burden of proof is a lot more. Also a lot of operators come out of TX and OK where everything they do is force pool. They don't see being "force-pooled" as onerous. In OK this is not threat, just a process. So when they say they are going to force pool in Montana that is more of a threat than it is in TX and OK.

Mr. Richmond said it could be a simple change to statute to not allow unlocatable mineral owners to be fined if they do not lease. **ACTION:** He will ask legal counsel if the Board could do that administratively

Field Inspector Training and Equipment

Mr. Smith asked for an update on field inspector training. Mr. Sasaki said there will be a cement school for field inspectors taught by MT Tech in Billings on the 14th of August. All inspectors went to log school 2 years ago. They all take H2S safety courses annually. And they have BOP school in Butte every other year and all inspectors except the most recently one hired are certified.

Mr. Smith would also like field inspectors to have H2S badges. Mr. Sasaki said they are about \$100 each. Mr. Smith thinks they are handy instead of carrying the other monitor around. He would like to see us purchase them for the field.

MOTION: Wayne moved, seconded by Ron and unanimously passed, to get additional H2S sensors for field staff.

With no further business the meeting adjourned at 4:45 pm.

PUBLIC HEARING.

The Board reconvened at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana, 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. 354-2012– The application of EOG Resources, Inc. was continued to the October 2012 hearing.

Docket No. 355-2012 – The application of EOG Resources, Inc. was withdrawn.

Docket No. 356-2012– The application of EOG Resources, Inc. was continued to the October 2012 hearing.

Docket No. 357-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 305-2012.

Docket No. 358-2012 – A motion was made by Mr. Smelser, seconded by Mr. Smelser and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 306-2012.

Docket No. 359-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 308-2012.

Docket No. 360-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 309-2012.

Docket No. 361-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 311-2012.

Docket No. 362-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 312-2012.

Docket No. 363-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 314-2012.

Docket No. 364-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 315-2012.

Docket No. 365-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 317-2012.

Docket No. 366-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 318-2012.

Docket No. 367-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 368-2012 – 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 368-2012.

Docket No. 369-2012 – 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 369-2012.

Docket No. 370-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 371-2012 – 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 370-2012.

Docket No. 372-2012 – 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 371-2012.

Docket No. 373-2012 – 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 372-2012.

Docket No. 374-2012 – 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 373-2012.

Docket No. 375-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 376-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 377-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 378-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 379-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 380-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 381-2012 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 382-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 383-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 384-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 385-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 386-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 387-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 388-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 389-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 390-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 391-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 392-2012– The application of Slawson Exploration Company, Inc. was continued to the October 2012 hearing.

Docket No. 393-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 319-2012.

Docket No. 394-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 320-2012.

Docket No. 395-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 321-2012.

Docket No. 396-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 322-2012.

Docket No. 397-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 323-2012.

Docket No. 398-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 324-2012.

Docket No. 399-2012 – 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 325-2012.

Docket No. 400-2012 – 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 326-2012.

Docket No. 401-2012 – 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 327-2012.

Docket No. 402-2012 – 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 Whiting Oil and Gas Corporation was approved as set forth in Board Order 374-2012.

Docket No. 403-2012 – 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 Whiting Oil and Gas Corporation was approved as set forth in Board Order 375-2012.

Docket No. 404-2012 – 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 Whiting Oil and Gas Corporation was approved as set forth in Board Order 376-2012.

Docket No. 405-2012 – 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 Whiting Oil and Gas Corporation was approved as set forth in Board Order 377-2012.

Docket No. 406-2012– The application of Whiting Oil and Gas Corporation was continued to the October 2012 hearing.

Docket No. 407-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 328-2012. Mr. King recused himself.

Docket No. 408-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 329-2012. Mr. King recused himself.

Docket No. 409-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 330-2012. Mr. King recused himself.

Docket No. 410-2012 – 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 378-2012.

Docket No. 411-2012 – 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 379-2012.

Docket No. 412-2012 – 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 380-2012.

Docket No. 413-2012 – 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 381-2012.

Docket No. 414-2012 – 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 331-2012.

Docket No. 415-2012– The application of Samson Resources Company was continued to the October 2012 hearing.

Docket No. 416-2012– The application of Samson Resources Company was continued to the October 2012 hearing.

Docket No. 417-2012 & 38-2012 FED– The application of Samson Resources Company was continued to the October 2012 hearing.

Docket No. 418-2012 & 39-2012 FED– The application of Samson Resources Company was continued to the October 2012 hearing.

Docket No. 419-2012 – 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 Shale Bakken Investment Corporation was approved as set forth in Board Order 382-2012.

Docket No. 420-2012 – 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 Shale Bakken Investment Corporation was approved as set forth in Board Order 383-2012.

Docket No. 421-2012 – 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 Shale Bakken Investment Corporation was approved as set forth in Board Order 384-2012.

Docket No. 422-2012 – 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 Shale Bakken Investment Corporation was approved as set forth in Board Order 385-2012.

Docket No. 423-2012 – 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 Shale Bakken Investment Corporation was approved as set forth in Board Order 386-2012.

Docket No. 424-2012 – 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 387-2012.

Docket No. 425-2012 – 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 388-2012.

Docket No. 426-2012 – 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 332-2012.

Docket No. 427-2012 – 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 333-2012.

Docket No. 428-2012 – 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 334-2012.

Docket No. 429-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 335-2012.

Docket No. 430-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 336-2012.

Docket No. 431-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 337-2012.

Docket No. 432-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 338-2012. Mr. King recused himself.

Docket No. 433-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 339-2012. Mr. King recused himself.

Docket No. 434-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 340-2012. Mr. King recused himself.

Docket No. 435-2012 & 39-2012 FED – 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 341-2012.

Docket No. 436-2012 & 40-2012 FED – 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 342-2012.

Docket No. 437-2012 – 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 343-2012.

Docket No. 438-2012 – 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 344-2012. Mr. King recused himself.

Docket No. 439-2012 – 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 345-2012. Mr. King recused himself.

Docket No. 440-2012 – 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 346-2012. Mr. King recused himself.

Docket No. 442-2012– The application of Continental Resources, Inc. was continued to the October 2012 hearing.

Docket No. 443-2012 – 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 389-2012.

Docket No. 444-2012– The application of Continental Resources, Inc. was continued to the October 2012 hearing.

Docket No. 445-2012– The application of Energy Corporation of America was continued to the October 2012 hearing.

Docket No. 446-2012 – 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 Brigham Oil & Gas, LP was approved as set forth in Board Order 390-2012.

Docket No. 447-2012 – 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 Brigham Oil & Gas, LP was approved as set forth in Board Order 390-2012.

Docket No. 448-2012 – 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 Brigham Oil & Gas, LP was approved as set forth in Board Order 390-2012.

Docket No. 449-2012 & 42-2012 FED – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Samson Oil & Gas USA Montana, Inc. as set forth in Board Order 347-2012.

Docket No. 450-2012 & 43-2012 FED – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Samson Oil & Gas USA Montana, Inc. as set forth in Board Order 348-2012.

Docket No. 451-2012 & 44-2012 FED – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Samson Oil & Gas USA Montana, Inc. as set forth in Board Order 349-2012.

Docket No. 452-2012 & 45-2012 FED – A motion was made by Mr. King, seconded by Mr. Gunderson and unanimously passed, to approve the application of Samson Oil & Gas USA Montana, Inc. as set forth in Board Order 350-2012.

Docket No. 453-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Cirque Resources LP as set forth in Board Order 351-2012.

Docket No. 454-2012 – 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 393-2012.

Docket No. 455-2012 – 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 394-2012.

Docket No. 456-2012 – 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 395-2012.

Docket No. 457-2012 – 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 396-2012.

Docket No. 458-2012 – 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 397-2012.

Docket No. 459-2012 – 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 398-2012.

Docket No. 460-2012 – 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 399-2012.

Docket No. 461-2012– The application of Central Montana Resources, LLC was continued to the October 2012 hearing.

Docket No. 462-2012– The application of Central Montana Resources, LLC was continued to the October 2012 hearing.

Docket No. 463-2012 – 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 400-2012.

Docket No. 464-2012 – 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 401-2012.

Docket No. 465-2012 – 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 402-2012.

Docket No. 466-2012 – 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 403-2012.

Docket No. 467-2012 – 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 404-2012.

Docket No. 468-2012 – 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 405-2012.

Docket No. 469-2012 – 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 406-2012.

Docket No. 470-2012 – 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 407-2012.

Docket No. 471-2012 – 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 408-2012.

Docket No. 472-2012 – 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 409-2012.

Docket No. 473-2012 – 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 410-2012.

Docket No. 474-2012 – 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 411-2012.

Docket No. 475-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 352-2012.

Docket No. 476-2012– The application of Oasis Petroleum, Inc. was continued to the October 2012 hearing.

Docket No. 477-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 353-2012.

Docket No. 478-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 354-2012.

Docket No. 479-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 355-2012.

Docket No. 480-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 356-2012.

Docket No. 481-2012 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 357-2012.

Docket No. 482-2012 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Somont Oil Company, Inc. as set forth in Board Order 358-2012. Mr. King opposed.

Docket No. 483-2012 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Somont Oil Company, Inc. as set forth in Board Order 359-2012. Mr. King opposed.

Docket No. 484-2012 – 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 TAQA North USA, Inc. was approved as set forth in Board Order 412-2012.

Docket No. 485-2012 – 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 TAQA North USA, Inc. was approved as set forth in Board Order 413-2012.

Docket No. 486-2012 – 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 TAQA North USA, Inc. was approved as set forth in Board Order 414-2012.

Docket No. 487-2012 – 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 TAQA North USA, Inc. was approved as set forth in Board Order 415-2012.

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

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

Docket No. 487-2011 – 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 Central Montana Resources, LLC was approved as set forth in Board Order 416-2012.

Docket No. 552-2011 & 16-2012 FED– The application of Decker Operating Company was withdrawn.

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

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

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

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

Docket No. 153-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 304-2012.

Docket No. 154-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 307-2012.

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

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

Docket No. 157-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 316-2012.

Docket No. 158-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 310-2012.

Docket No. 159-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 313-2012.

Docket No. 244-2012 – 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 417-2012.

Docket No. 262-2012 – 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 418-2012.

Docket No. 269-2011– The application of Whiting Oil and Gas Corporation was continued to the October 2012 hearing.

Docket No. 272-2011– The application of Cirque Resources LP was continued to the October 2012 hearing.

Docket No. 285-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 360-2012.

Docket No. 286-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 361-2012.

Docket No. 287-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 362-2012.

Docket No. 288-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 363-2012.

Docket No. 333-2012 – The application of Abyssal Saltwater Disposal, LLC was dismissed.

Docket No. 346-2012 – 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 Denbury Onshore, LLC was approved as set forth in Board Order 419-2012.

Docket No. 351-2012– A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to have the Board’s Chief Field Inspector make arrangements to have the surface issues at the captioned wells cleaned up using damage mitigation account funds, and that Native American Energy Group, Inc. be billed for the costs incurred; and that a Show-Cause hearing for bond forfeiture be scheduled for Native American Energy Group, Inc. for the Board’s October 2012 public hearing. This is set forth in Board Order 365-2012.

Docket No. 352-2012– A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to continue the show-cause hearing of G/S Producing, Inc. to the October 11, 2012 hearing, and is set forth in Board Order 366-2012.

Docket No. 353-2012– A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to forfeit the bond of Brent Zimmerman as set forth in Board Order 367-2012.


Docket No. 488-2012– A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to: a) delay the decision to implement the \$250,000 bond increase ordered in Board Order 1-A-2010 until the Board's August 2013 business meeting; b) require that by the Board's October 10, 2012 business meeting, Mountain Pacific General, Inc. must provide an updated organization chart and a list of four wells to be plugged in the coming year – said plugging to be completed no later than the Board's August 2013 business meeting; and c) require that at the Board's first business meeting in 2013, Mountain Pacific General, Inc. must provide a plugging progress report regarding the four wells it has identified to be plugged by August 2013. This is set forth in Board Order 364-2012. Mr. King opposed.

Docket No. 489-2012– The show-cause hearing of Cabot Oil & Gas Corporation was dismissed.

NEXT MEETING

The next business meeting of the Board will be Wednesday, October 10, 2012 at 2:00 p.m. at 2535 St. Johns Avenue in Billings, Montana. The next regular public hearing will be Thursday, October 11, 2012, beginning at 8:00 a.m. at 2535 St. Johns Avenue in Billings, Montana. The filing deadline for the October 11, 2012, public hearing is September 13, 2012.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA



Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw

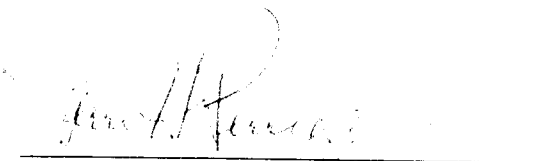
Ronald S. Efta

Jay Gunderson

Jack King

Bret Smelser

ATTEST:



Terri H. Perrigo, Executive Secretary