

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
October 10 & 11, 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, October 10, 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. King and unanimously passed, to approve the minutes of the August 8, 2012 business meeting.

EMPLOYEE AWARDS

Chairman Nelson presented longevity pins and certificates to the following employees for their service to the state: Tom Richmond – 30 years, Steve Sasaki – 25 years, George Hudak – 15 years, and Bill Halvorson – 10 years.

DENBURY ONSHORE LLC

The Denbury presentation on CO2 potential in the Cedar Creek Anticline has been moved to the first meeting in 2013.

FORCE POOLING DISCUSSION

Exhibits 1, 2, 3 and 4 were distributed prior to the discussion. Exhibits 1 through 3 were prepared by the Board's attorney and Exhibit 4 was prepared by Mr. Efta. Mr. Peterson's opinion is that there is no wiggle room in statute about penalties once a decision is made to issue a pooling order. Penalties must be applied. But there is an initial step where the Board has a lot of flexibility. This is at the point where the Board determines if a reasonable good faith effort has been made to establish voluntary pooling. Once the Board gets past the initial step, and issues the pooling order, the Board is limited by statute as to what penalties are applied. But if at the first step, determining whether a reasonable good faith effort has been made (either in contacting "unlocatable owners" or in lease term offers), the Board has the flexibility to dismiss or continue an application if a reasonable good faith effort has not been made. Attorney Chris Buslee suggested the Board may want to consider having an affidavit accompany force

pooling applications saying what the applicant has done to locate interest owners and if the lease terms offered were reasonable.

Mr. Efta believes the force pooling statute is being used to get mineral owners to accept poor terms, and he thinks force pooling unlocatable mineral owners is a due process issue. He thinks the problem is two – pronged: did the company find the mineral owner(s); and did the company make an offer that was reasonable. He thinks the Board could eliminate all the concern about “did they find them” if the Board required they require companies to set up mineral trust with the clerk of court for unlocatable mineral owners.

Mr. Richmond said mineral trust requirements are in Chapter 1, not Chapter 11 of the statute, so the Board has no jurisdiction and he does not think such a requirement would be enforceable by the board.

Attorney Brent Chicken from Continental Resources gave a presentation on force pooling and establishing trusts. He has dealt with similar issue in other states. He said it is possible to have statutory pooling and unlocatable mineral owner statutes working in concert.

Attorney John Lee said the unlocatable owner issue is one he doesn't have a solution for. He believes it is the mineral owners' duty to maintain the address of record in the county courthouse. If a company has searched records and sent out paperwork via certified letter to the address of record, he thinks they should be able to impose penalties because they have followed statutory requirements.

Mr. Smith agrees with Mr. Lee. He has done a lot of leasing. There are already guidelines. Companies follow the statutory guidelines regarding notice and provide the Board with evidence of that in their affidavit of mailing.

Dennis Trudell said a lot of mineral owners feel forced to lease for less than desirable terms. When these wells cost 9-10 million, each acre is worth approximately 8,000 if you want to participate. So if you have 40 acres, you have 30 days to come up with \$320,000. A lot of people can't do that so they are faced with leasing or getting force pooled and penalized 200 percent. He is concerned about the number of companies asking to pool with penalties.

Chairman Nelson would like to have some review of whether or not people are being offered a reasonable lease. Attorney Dick Beatty said that is a slippery slope, and he does not think the Board should begin reviewing and/or negotiating leases.

Mr. Efta agrees with Mr. Chicken that the Board could establish guidelines to be followed when determining whether a reasonable attempt to locate and a reasonable attempt to voluntarily pool have been undertaken.

Chairman Nelson assigned Mr. Efta to work on development of guidelines. Mr. Chicken offered to assist Mr. Efta, and to present information on how other states handle similar issues. Mr. Richmond and Mr. Peterson will also be part of the guideline development group. The group's findings/suggestions will be discussed at the December meeting. Mr. Richmond asked if the Board wanted to do rulemaking. The Board was adamant it wants guidelines – not rules.

FINANCIAL REPORT

Ms. Perrigo distributed and discussed the financial report, attached as Exhibit 5.

BOND SUMMARY

Mr. Halvorson distributed and discussed the bond summary, attached as Exhibit 6.

DOCKET SUMMARY

Mr. Halvorson distributed and discussed the summary of all applications (Exhibit 7), the list of applications to hear (Exhibit 8), and the Default Docket list (Exhibit 9).

STAFF REPORTS

Mr. Sasaki said Mountain Pacific General, Inc. has provided their organization report and a list of four wells that will be plugged by August 2013. That information is attached as Exhibit 10.

In response to a question last meeting from Mr. Gunderson, Mr. Sasaki distributed a list of fines assessed by the Board since 2008 (Exhibit 11).

Mr. Sasaki discussed his findings about testing of service rig anchors in other states. They are summarized on Exhibit 12. None of the surrounding states have regulations; they just go by API standards or OSHA regulations. Mr. Sasaki recommended no rule change on this matter.

Mr. Richmond said the division budget has been established by the Governor's budget office. The present law adjustments submitted were included, except for exempt staff salary increase funds. Continuation of the field inspection manual was included, but no other education projects were (Elm Coulee EOR, Teachers Workshop, Proppant Survey). Mr. Richmond said Senator Keane or someone else will have to put those and the funding for them in the budget during the session.

Ms. Perrigo distributed Exhibit 13, the proposed schedule for 2013. She stayed away from the IOCGG mid-year and annual meeting dates and the GWPC mid-year meeting (annual date was not posted yet). Board members and staff should review it prior to the December business meeting where the schedule for 2013 will be finalized.

The Board met for an executive session and voted to give the three exempt employees (Richmond, Halvorson and Hudak) a 5 percent salary increase effective 10-1-2012. The board felt strongly and unanimously this action should be taken.

With no further business, the meeting adjourned at 4:30

PUBLIC HEARING.

The Board reconvened on Thursday, October 11, 2012 at 8:00 a.m. 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. 490-2012– The application of Brigham Oil & Gas, LP was continued to the December 2012 hearing.

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Docket No. 493-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 420-2012.

Docket No. 494-2012– The application of Brigham Oil & Gas, LP was continued to the December 2012 hearing.

Docket No. 495-2012– The application of Brigham Oil & Gas, LP was continued to the December 2012 hearing.

Docket No. 496-2012 – 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 421-2012.

Docket No. 497-2012– The application of Brigham Oil & Gas, LP was continued to the December 2012 hearing.

Docket No. 498-2012– The application of Brigham Oil & Gas, LP was continued to the December 2012 hearing.

Docket No. 499-2012– The application of Anadarko Mineral, Inc. was continued to the December 2012 hearing.

Docket No. 500-2012– The application of Anadarko Mineral, Inc. was continued to the December 2012 hearing.

Docket No. 501-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of MCR, LLC as set forth in Board Order 424-2012.

Docket No. 502-2012– The application of Chaco Energy Company was continued to the December 2012 hearing.

Docket No. 503-2012 – 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 Sandhill Energy, LLC was approved as set forth in Board Order 486-2012.

Docket No. 504-2012 – 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 Energy Corporation of America was approved as set forth in Board Order 487-2012.

Docket No. 505-2012 – 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 Energy Corporation of America was approved as set forth in Board Order 488-2012.

Docket No. 506-2012 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 425-2012.

Docket No. 507-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 426-2012.

Docket No. 508-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 427-2012.

Docket No. 509-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 428-2012.

Docket No. 510-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 429-2012.

Docket No. 511-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 430-2012.

Docket No. 512-2012 – 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 489-2012.

Docket No. 513-2012 – 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 490-2012.

Docket No. 514-2012 – 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 491-2012.

Docket No. 515-2012 – 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 492-2012.

Docket No. 516-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 431-2012.

Docket No. 517-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 432-2012.

Docket No. 518-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 433-2012.

Docket No. 519-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 434-2012.

Docket No. 520-2012 – 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 435-2012.

Docket No. 521-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 436-2012.

Docket No. 522-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 437-2012.

Docket No. 523-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 438-2012.

Docket No. 524-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 439-2012.

Docket No. 525-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 440-2012.

Docket No. 526-2012 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 441-2012.

Docket No. 527-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 442-2012.

Docket No. 528-2012 – 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 443-2012.

Docket No. 529-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 444-2012.

Docket No. 530-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 445-2012.

Docket No. 531-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 446-2012.

Docket No. 532-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 447-2012. Mr. King voted no.

Docket No. 533-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 448-2012.

Docket No. 534-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 449-2012. Mr. King voted no.

Docket No. 535-2012– The application of Marathon Oil Company was continued to the December 2012 hearing.

Docket No. 536-2012– The application of Marathon Oil Company was continued to the December 2012 hearing.

Docket No. 537-2012 & 1-2013 FED– The application of Marathon Oil Company was continued to the December 2012 hearing.

Docket No. 538-2012– The application of Marathon Oil Company was continued to the December 2012 hearing.

Docket No. 539-2012 – 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 493-2012.

Docket No. 540-2012 – 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 494-2012.

Docket No. 541-2012 – 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 495-2012.

Docket No. 542-2012 – 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 496-2012.

Docket No. 543-2012 – 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 497-2012.

Docket No. 544-2012 – 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 498-2012.

Docket No. 545-2012 – 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 499-2012.

Docket No. 546-2012– The application of EOG Resources, Inc. was continued to the December 2012 hearing.

Docket No. 547-2012– The application of EOG Resources, Inc. was continued to the December 2012 hearing.

Docket No. 548-2012– The application of EOG Resources, Inc. was continued to the December 2012 hearing.

Docket No. 549-2012– The application of EOG Resources, Inc. was continued to the December 2012 hearing.

Docket No. 550-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 450-2012.

Docket No. 551-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 451-2012.

Docket No. 552-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 452-2012.

Docket No. 553-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 453-2012.

Docket No. 554-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 454-2012.

Docket No. 555-2012 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 455-2012.

Docket No. 556-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 456-2012.

Docket No. 557-2012 – A motion was made by Mr. Gunderson, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 457-2012.

Docket No. 558-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 464-2012.

Docket No. 559-2012 – 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 500-2012.

Docket No. 560-2012 – 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 501-2012.

Docket No. 561-2012 – 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 502-2012.

Docket No. 562-2012 – 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 503-2012.

Docket No. 563-2012 – 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 504-2012.

Docket No. 564-2012 – 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 505-2012.

Docket No. 565-2012 – 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 506-2012.

Docket No. 566-2012 – 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 507-2012.

Docket No. 567-2012 – 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 508-2012.

Docket No. 568-2012 – 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 509-2012.

Docket No. 569-2012 – 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 510-2012.

Docket No. 570-2012– The application of Slawson Exploration Company, Inc. was continued to the December 2012 hearing.

Docket No. 571-2012 – 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 511-2012.

Docket No. 572-2012– The application of Slawson Exploration Company, Inc. was continued to the December 2012 hearing.

Docket No. 573-2012 – 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 512-2012.

Docket No. 574-2012 – 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 513-2012.

Docket No. 575-2012 – 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 514-2012.

Docket No. 576-2012 – 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 515-2012.

Docket No. 577-2012 – A motion was made by Mr. Bradshw, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 458-2012.

Docket No. 578-2012 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 459-2012.

Docket No. 579-2012 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 460-2012.

Docket No. 580-2012 – A motion was made by Mr. Efta, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 461-2012.

Docket No. 581-2012 – 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 516-2012.

Docket No. 582-2012 – 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 517-2012.

Docket No. 583-2012 – 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 518-2012.

Docket No. 584-2012 – 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 519-2012.

Docket No. 585-2012 – 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 520-2012.

Docket No. 586-2012 – 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 465-2012.

Docket No. 587-2012 – 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 466-2012.

Docket No. 588-2012 – 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 467-2012.

Docket No. 589-2012 – 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 468-2012. Mr. King recused himself from this hearing.

Docket No. 590-2012 – 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 469-2012. Mr. King recused himself from this hearing.

Docket No. 591-2012 – 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 470-2012.

Docket No. 592-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 471-2012.

Docket No. 593-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 472-2012.

Docket No. 594-2012 – 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 473-2012.

Docket No. 595-2012 – 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 474-2012.

Docket No. 596-2012 – 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 475-2012.

Docket No. 597-2012 – 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 521-2012.

Docket No. 598-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Shale Bakken Investment Corporation as set forth in Board Order 476-2012.

Docket No. 599-2012 – 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 522-2012.

Docket No. 600-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Shale Bakken Investment Corporation as set forth in Board Order 477-2012.

Docket No. 601-2012 – 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 523-2012.

Docket No. 602-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Shale Bakken Investment Corporation as set forth in Board Order 478-2012.

Docket No. 603-2012 – 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 524-2012.

Docket No. 604-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Shale Bakken Investment Corporation as set forth in Board Order 479-2012.

Docket No. 605-2012 – A motion was made by Mr. King, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Vecta Oil & Gas, LTD as set forth in Board Order 480-2012.

Docket No. 606-2012– The application of Vess Oil Corporation was continued to the December 2012 hearing.

Docket No. 607-2012 & 2-2013 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 481-2012.

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

Docket No. 112-2012 – The application of Central Montana Resources LLC was withdrawn.

Docket No. 113-2012 – The application of Central Montana Resources LLC was withdrawn.

Docket No. 114-2012 – The application of Central Montana Resources LLC was withdrawn.

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

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

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

Docket No. 272-2012 – 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 483-2012.

Docket No. 275-2012 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 422-2012.

Docket No. 284-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 423-2012.

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

Docket No. 376-2012 – 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 525-2012.

Docket No. 379-2012 – 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 526-2012.

Docket No. 380-2012 – 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 527-2012.

Docket No. 382-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 462-2012.

Docket No. 383-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 463-2012.

Docket No. 388-2012 – 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 528-2012.

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

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

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

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

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

Docket No. 441-2012 & 42-2012 FED – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to deny the application of Continental Resources, Inc. as set forth in Board Order 482-2012.

Docket No. 461-2012 – 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 529-2012.

Docket No. 462-2012 – 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 530-2012.

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

Docket No. 608-2012– The show-cause hearing of Anschutz Exploration Corporation was dismissed

Docket No. 609-2012– A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, ordering Native American Energy Group, Inc. (NAEG) to forward to the Board no later than Sunday October 21, 2012: a) \$14,495.12 for reimbursement of cost the cleanup of the Beery #2 wellsite; and b) the delinquent production reports. If this is not done, the NAEG bond will be forfeited. This is set forth in Board Order 484-2012.

Docket No. 610-2012– The show-cause hearing of McOil Montana Once LLC was dismissed as set forth in Board Order 531-2012.

Docket No. 352-2012– The show-cause hearing of G/S Producing, Inc. was dismissed, as Mr. Copenhaver withdrew his complaint. This is set forth in Board Order 485-2012.

NEXT MEETING

The next business meeting of the Board will be Wednesday, December 12, 2012 at 2:00 p.m. at 2535 St. Johns Avenue in Billings, Montana. The next regular public hearing will be Thursday, December 13, 2012, beginning at 8:00 a.m. at 2535 St. Johns Avenue in Billings, Montana. The filing deadline for the December 13, 2012, public hearing is November 15, 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