

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
MINUTES OF THE  
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING  
April 24 & 25, 2013

CALL TO ORDER

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 2:00 p.m., Wednesday, April 24, 2013 in the Poore Conference room on the 2<sup>nd</sup> floor of the University Relations Center on the MT Tech campus in Butte, Montana. Board members present were Chairman Nelson, John Evans, Ron Efta, Jack King and Wayne Smith. Bret Smelser was absent. Staff present was attorney Robert Stutz, Jim Halvorson, George Hudak, Terri Perrigo, Tom Richmond and Steve Sasaki.

Mr. Leo Heath of the Petroleum Engineering Department of MT Tech welcomed the Board and audience to Butte and the campus.

Chairman Nelson welcomed new Board member John Evans and new attorney Robert Stutz.

Chairman Nelson reminded the Board there will be a social with XTO Energy Inc. after the business meeting in October in Billings.

It was necessary to elect a new Vice-Chairman. Mr. Efta made a motion to elect Wayne Smith as Vice-Chairman. Mr. King seconded the motion and it passed unanimously.

APPROVAL OF MINUTES

A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the minutes of the February 13, 2013 business meeting.

PUBLIC COMMENT

**NATIVE AMERICAN ENERGY GROUP, INC.**

Matt and Krista Beery, mineral and surface owners, were present to discuss issues they have with Native American Energy Group, Inc. (NAEG) in regard to the Beery 2 and 22-24 wells. Ms. Beery said they have had a lease with NAEG for seven years and have constantly had problems with maintenance. There has also been no production during that time. NAEG has sent them a letter saying the wells were grossly neglected, yet NAEG still took lease with them....now seven years later this is their claim. The Beery's have environmental concerns too. There have been explosions in wells and one well probably has damage to the casing. There has been saltwater contamination in their field and they have worked closely with Field Inspector Prevost to deal with these matters. They are asking the Board for help in

getting the wells cleaned up and/or plugged on their ranch which has been in the same family for four generations.

Jay Wright, a mineral and surface owner, was present to discuss issues he has with NAEG. He owns Pinnacle Ranch Inc where the Wright 5-35 well is located. He leased with NAEG in June 2006. He claims the Wright 5-35 well is producible, but NAEG has only pumped it for about 2 months (Fall 2011) and 12 days (October 2012) during their lease period. The reason they shut it down after the 12 days was because the contractor NAEG hired to haul water was not paid and quit working for them. Mr. Wright said on November 1, 2012 he imposed the 90-days non-production clause in his lease. At the end of January 2013 he sent NAEG a termination notice for failure to produce. On March 1, 2013 he sent NAEG a request to sign off on change of operator. Mr. Wright provided the Board's secretary with his chronology of events with NAEG regarding the Wright 5-35 well for the record. (Exhibit )

Mr. Sasaki said NAEG contacted him and said the Lee Law Firm in Shelby was working on the Wright matter. He distributed Exhibit 2, a list of the wells on NAEG's bond, production reports for the wells and orders issued regarding NAEG and the Beery and Wright wells.

Mr. Wright said since Nov 2011 when NAEG reworked the Wright well they have sold three loads of oil, but sold the last load twice to Shell Oil. Krista Beery said NAEG has falsified production information on the Beery 2 well. They reported production in October, November and December 2012. That is impossible because there was an explosion in the well in January 2012 and the well is unable to produce because the casing collapsed.

Mr. Sasaki said NAEG is usually delinquent filing production reports and has been fined numerous times. The biggest issues appear to be clean-up related. The Board recently hired someone to clean up Mr. Berry's location (Beery 22-24). NAEG reimbursed the Board for the clean-up but it took a long time. He said he has seen court papers stating all the equipment is collateral for a loan. The only people the Board sees from NAEG are Raj and Joe who live in New York. Mr. Sasaki had a phone call from Raj a couple weeks ago who said they were going to move the pile of contaminated dirt from the Beery 22-24 well.

Mr. Smith asked about their surety bond, since Exhibit 2 has a comment NAEG has not paid the premium for two years. Mr. Halvorson said a surety bond never goes away. The bond is still in place even though the premium has not been paid. He said the Charles Track 1 well is on a federal bond, not the surety bond. Mr. Efta said he was not aware there was an annual premium on surety bonds. He asked if anyone has ever come before the board to have the surety released because the premium has not been paid. Mr. Halvorson said yes, there have been requests from surety companies to release bonds for nonpayment of premium, but we send them a letter stating statute and telling them the bond still stays in effect. This one could actually be a blanket bond because of the amount; but the bonding company stopped adding any more wells. Mr. Richmond said if an operator is in good standing the annual premium is usually 1 percent of face value. For an operator in less than good standing it is approximately 10 percent. He said operators do not get surety bonds very often anymore because companies are reluctant to issue them.

Mr. Smith said the Board has been dealing with these folks for a number of years and never gets anything but promises. He would like to see the Board terminate their bond and have the wells cleaned up and the land restored. Chairman Nelson said she is reluctant to cut them any more slack.

Mr. King asked Mr. Wright if he wanted to take over the well. Mr. Wright said yes. Mr. King advised him to stay involved in this process so he knows what is happening.

**MOTION:** Motion by Mr. Smith, seconded by Mr. Efta and unanimously passed, to schedule a show cause hearing for NAEG for June as to why they should not plug and abandon all six wells on their bond or have their bond forfeited.

#### **MT TECH UPDATE ON ELM COULEE EOR PROJECT**

Mr. Leo Heath and Dr. Burt Todd were present from MT Tech to discuss the Elm Coulee EOR project. Dr. Todd thanked the Board for the funding to support this very important research. There are three phases to the project. First, develop accurate geologic simulation. Second, verify that the simulation model you have developed is correct. Finally, use the model to analyze various scenarios.

They have been focusing on six sections in the SW flank of Elm Coulee with nine wells. They have developed descriptions of the rock, fluid, and well. When they are all tied together they developed their model with projective abilities. The Bakken in focus area is 22 ft thick but only has 9 feet of pay. Since it is a bit thin there, the in-place oil volume is not as good as some places in Elm Coulee. There are 5 duals and 4 long horizontal wells on the six sections. They built these into the model and turned it on. They nailed the cumulative curve because the amount that actually came out of the reservoir is what the model predicted the rates would be. So that validated the model.

They then used the model to predict what would happen if four existing wells were converted to water injectors. They lost half of production. Dr. Todd said it would be a struggle to be economic with water injection because any benefit would not happen until later on.

Then they put natural gas injection in to the model. The results were a little better than water injection but not much. You can't get enough water or gas into the remaining wells to make them economic in terms of time and money.

Then they put eight new gas injector wells into the model. Within four months after start of injection they got production increases because they didn't have to shut in any wells and lose half of initial production. This is very encouraging. Dr. Todd thinks there is potential for gas injection to be economic under this scenario.

According to Dr. Todd, the key findings so far are:

- a. depletion will get about 25 percent of original oil in place
- b. gas injection operations will require additional wells
- c. hydrocarbon gas injection show potential to improve recovery
- d. economics are going to be a challenge
- e. selection of pilot area is critical

From here:

- a. improve reservoir description
- b. improve wellbore descriptions
- c. investigate co2 and hydrocarbon gas injections
- d. look at WAG (water alternating gas injection)
- e. Evaluate alternative injection well configurations.

The goal is to select a favorable area for a pilot flood. Then they will develop the pilot program and offer it to industry and hopefully someone will take it on.

#### **FORCE POOLING GUIDELINES**

Mr. Efta distributed Exhibit 3, which contains the three recommended guidelines and an example of a legal ad requesting the establishment of an unlocatable mineral owner trust and the execution of a lease in Wibaux County, Montana.

He reminded the board this came about because of force pooling unlocatable mineral owners. He always thought it was a problem because they do not get notice. Operators have said they would rather have leases in place. The process is simple. File a petition. Ask for a phone hearing and provide affidavit. It takes 15 minutes. In the example they also invited people to submit sealed bid to get a lease. What they are doing there is trying to get an idea of the going lease rate.

Mr. Efta reminded the Board the guidelines would not be law, but he thinks guidelines are a good idea since he sees no decrease in force pooling applications. Companies have to create a trust anyway once production is established. Then the clerk of court holds funds in the trust at a local bank and files tax returns if necessary. Everything is done the way it should be.

Mr. King agrees. Instead of force pooling unlocatable mineral owners, a company should just go to clerk of court and get a lease. It is as simple as that. But, he said, doing it ahead of time will be problematic for companies that struggle to get leases and title opinions done.

Attorney John Lee said it takes a couple of months to do a trust for one unlocatable mineral owner. There could be dozens in a 1280 acre spacing unit. He does not think it is the Board's duty to save people from themselves when they have not kept their whereabouts known. Also, suppose the Clerk of Court won't accept the lease offer and begins negotiations that end in stalemate. Then the situation is no different than a mineral that is not negotiating.

Attorney Don Lee said he had case where the district judge thought the Department of Revenue should be involved in establishing the trust and executing the lease. Eight months later they finally got a lease, but it was a long arduous expensive process. The Department of Justice got involved to investigate what the royalty/bonus should be, and that added to the length and cost.

Don Lee said another problem is that the Supreme Court said the trust cannot be used to pay attorney's fees. Attorney Brett Chicken agreed. Pooling is the only way for attorney costs to be recovered.

Attorney Scotti Gray said one reason some companies may not want to establish the trust prior to pooling is because they may still be looking for the unlocatables. In her case, between the time the well was drilled and the pooling application, she found over half of the unlocatables and they are not imposing penalties. If they would have established the trust(s) these interests may never have been found.

John Lee questioned whether the Board can even establish the force pooling guidelines. Statute says if you send a letter to the last known address and they don't respond within 30 days, you get the force pooling.

Mr. Efta said the Board's previous attorney Clyde advised the Board that the flexibility in 82-11-202 (1) (b) comes from the phrase "may enter an order pooling all interests in the permanent spacing unit" The flexibility is whether to issue the pooling order or not. Once the pooling order is issued the penalty is required.

Mr. King said this has been a great discussion and he thanked Mr. Efta for all his work. But he said he needs more time to digest the recommended guidelines. He would like to continue this to the next meeting.

Dave Galt, of the Montana Petroleum Association, said he would be happy to circulate the recommended guidelines to industry and provide feedback at the next meeting.

Mr. Smith he is open to that, but he thinks we are repeating history. He has expressed this before. The board always comes back to the same conclusion. The Board must follow statute and if it adopts the guidelines as some sort of "requirement" he is opposed to it

Chairman Nelson asked if the board wanted to get industry feedback or go ahead and vote on adoption of the guidelines.

The Board's attorney Rob Stutz said this is the first time he has seen the guidelines. He would appreciate comments from industry in regard to legalities.

John Lee would like a little more study. But he agrees with Mr. Smith. He does not think the Board needs to adopt guidelines.

Mr. Efta said in regard to guideline #3, he thinks it should be dropped. The Board should not be interfering in private contract law. He also thinks rogue leasing agents have been the problem, not companies who mostly try to lease no matter what the leasing agent did. In his experience most companies will come around and make a good offer before the well is drilled.

Chairman Nelson asked if anyone had a problem with recommended guideline #2. Wayne said he did. He said seeing it in black and white and actually doing it are different. It would just cause too much chaos. He does not want to adopt this recommendation.

Don Lee has had numerous situations where mineral owners were knowledgeable and sophisticated and refused to pick up the letter.

Chairman Nelson said she is getting the feeling the guideline discussion has run its course and is going nowhere. She said this has been a very good discussion over the past few months, but without contrary feedback from the Board she is going to table the issue. There was none. The force pooling guidelines were tabled.

#### FINANCIAL REPORT

Ms. Perrigo distributed and discussed the financial report attached as Exhibit 4. Mr. King asked if the Board was awarded its well plugging grants this session. Mr. Richmond said no. The committee put the Board's two, \$300,000 priority grant requests at the bottom of the funding list, and temporarily changed statute to suspend the Board's priority allocation for this biennium. The subcommittee chairman said they looked at the remaining balances from prior grants in making this decision. The committee decided not to award the Board more until it spends what it has.

Chairman Nelson asked Mr. Richmond if he thought it would be hard to get the priority grants reinstated next session. He said yes. Something different should probably be done. He thought for a long time that the Board should have permanent authority for a well plugging fund. The obvious place would be from the RIT trust. There is a long history here, and that was the original source of funding proposed or the permanent plugging fund. But at that time, John Tubbs the new DNRC director and prior manager of the DNRC grant program suggested the priority grant process be used instead of a direct appropriation from the interest off the trust. That is how the Board ended up getting statutory authorization for priority grants.

#### BOND SUMMARY

Mr. Halvorson distributed and discussed the bond summary, attached as Exhibit 5.

#### DOCKET SUMMARY

Mr. Halvorson distributed attached Exhibits 6, 7 and 8 (disposition of the docket list in order of publication, the docket list in hearing order, and the default docket summary).

## STAFF REPORTS

Mr. Sasaki said not much is happening in the grant funded well plugging program right now because of the weather.

Mr. Hudak and Mr. Halvorson had nothing to report.

Mr. Richmond gave an update on legislative and other happenings.

- a. Mary Sexton's appointment to the Board was not confirmed by the Senate.
- b. The Oil & Gas Impact grant program (HB 218) will be going to Commerce instead of to the Board of Oil & Gas.
- c. In HB2, the subcommittee added \$1.4 million to our budget for education/research. They funded the field inspection procedure manual, the EOR study and added 3.0 FTE to our budget for Bakken boom. Senator Olson made an amendment that added \$100,000 to our budget each year for field inspector salary adjustments. The legislature made a global amendment to remove vacant positions next biennium in an amount equal to vacancy savings.

With no further business, the meeting adjourned at 4:45 pm so members and staff could attend the senior student poster presentation and social sponsored by Butte oil and gas operators

## PUBLIC HEARING

The Board reconvened on Thursday, April 25, 2013 at 8:00 a.m. at Montana Tech in Butte, Montana, in the Poore Conference Room on the 2<sup>nd</sup> floor of the University Relations Center on campus, 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. 112-2013– The application of Apache Western Exploration LLC was continued to the June 2013 hearing.

Docket No. 113-2013 – 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 Briscoe Petroleum, LLC was approved as set forth in Board Order 179-2013.

Docket No. 114-2013 – 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 Petro-Hunt, L.L.C. was approved as set forth in Board Order 180-2013.

Docket No. 115-2013 – 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 Petro-Hunt, L.L.C. was approved as set forth in Board Order 181-2013.

Docket No. 116-2013 – 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 Sinclair Oil & Gas Company was approved as set forth in Board Order 182-2013.

Docket No. 117-2013 – 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 Sinclair Oil & Gas Company was approved as set forth in Board Order 183-2013.

Docket No. 118-2013 – 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 Sinclair Oil & Gas Company was approved as set forth in Board Order 184-2013.

Docket No. 119-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Interstate Explorations, LLC as set forth in Board Order 95-2013.

Docket No. 120-2013 – 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 Resources Inc. was approved as set forth in Board Order 185-2013.

Docket No. 121-2013 – 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 Resources Inc. was approved as set forth in Board Order 186-2013.

Docket No. 122-2013– 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 96-2013.

Docket No. 123-2013– 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 97-2013.



Docket No. 124-2013 – 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 187-2013.

Docket No. 125-2013 – 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 188-2013.

Docket No. 126-2013 – 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 189-2013.

Docket No. 127-2013 – 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 190-2013.

Docket No. 128-2013 – 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 191-2013.

Docket No. 129-2013 – 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 192-2013.

Docket No. 130-2013 – 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 193-2013.

Docket No. 131-2013 – 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 194-2013.

Docket No. 132-2013 – 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 195-2013.

Docket No. 133-2013 – 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 196-2013.

Docket No. 134-2013 – 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 197-2013.

Docket No. 135-2013 – 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 198-2013.

Docket No. 136-2013 – 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 199-2013.

Docket No. 137-2013 – 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 201-2013.

Docket No. 138-2013 – 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 202-2013.

Docket No. 139-2013 – 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 203-2013.

Docket No. 140-2013 – 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 204-2013.

Docket No. 141-2013 – 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 205-2013.

Docket No. 142-2013 – 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 200-2013.

Docket No. 143-2013– A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 98-2013.

Docket No. 144-2013– A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 99-2013.

Docket No. 145-2013– A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 100-2013.

Docket No. 146-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 101-2013.

Docket No. 147-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 102-2013.

Docket No. 148-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 103-2013.

Docket No. 149-2013– A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 104-2013.

Docket No. 150-2013– A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 105-2013.

Docket No. 151-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 106-2013.

Docket No. 152-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 107-2013.

Docket No. 153-2013– A motion was made by Mr. Evans, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 108-2013.

Docket No. 154-2013– A motion was made by Mr. Evans, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 109-2013.

Docket No. 155-2013– A motion was made by Mr. Evans, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 110-2013.

Docket No. 156-2013– 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 111-2013.

Docket No. 157-2013– 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 112-2013.

Docket No. 158-2013– 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 113-2013.

Docket No. 159-2013– 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 114-2013.

Docket No. 160-2013– 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 115-2013.

Docket No. 161-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 116-2013.

Docket No. 162-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 117-2013.

Docket No. 163-2013– 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 118-2013.

Docket No. 164-2013– A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 119-2013.

Docket No. 165-2013– 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 120-2013.

Docket No. 166-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 121-2013.

Docket No. 167-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 122-2013.

Docket No. 168-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 123-2013.

Docket No. 169-2013– A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 124-2013.

Docket No. 170-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 125-2013.

Docket No. 171-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 126-2013.

Docket No. 172-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 127-2013.

Docket No. 173-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 128-2013.

Docket No. 174-2013– The application of XTO Energy Inc. was continued to the June 2013 hearing.

Docket No. 175-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 129-2013.

Docket No. 176-2013– The application of XTO Energy Inc. was continued to the June 2013 hearing.

Docket No. 177-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 131-2013.

Docket No. 178-2013– A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 133-2013.

Docket No. 179-2013– A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 134-2013.

Docket No. 180-2013– A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 135-2013.

Docket No. 181-2013– A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to approve the application of Southwestern Energy Production Company as set forth in Board Order 136-2013.

Docket No. 182-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 137-2013.

Docket No. 183-2013– A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 138-2013.

Docket No. 184-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 139-2013.

Docket No. 185-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 140-2013.

Docket No. 186-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of TAQA North USA, Inc. as set forth in Board Order 141-2013.

Docket No. 187-2013 – 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 Antelope Resources, Inc. was approved as set forth in Board Order 206-2013.

Docket No. 188-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 142-2013.

Docket No. 189-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 143-2013.

Docket No. 190-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 144-2013.

Docket No. 191-2013– A motion was made by Mr. Evans, seconded by Mr. Smith and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 145-2013.

Docket No. 192-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 146-2013.

Docket No. 193-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 147-2013.

Docket No. 194-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 195-2013 – 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 207-2013.

Docket No. 196-2013 – 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 208-2013.

Docket No. 197-2013 – 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 209-2013.

Docket No. 198-2013 – 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 210-2013.

Docket No. 199-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 200-2013– The application of GreenHunter Water, LLC was continued to the June 2013 hearing.

Docket No. 201-2013– The application of GreenHunter Water, LLC was continued to the June 2013 hearing.

Docket No. 202-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Keesun Corp. as set forth in Board Order 156-2013.

Docket No. 203-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Keesun Corp. as set forth in Board Order 157-2013.

Docket No. 204-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Keesun Corp. as set forth in Board Order 158-2013.

Docket No. 205-2013– The application of G3 Operating, LLC was continued to the June 2013 hearing.

Docket No. 206-2013 & 6-2013 FED– The application of G3 Operating, LLC was continued to the June 2013 hearing.

Docket No. 207-2013 & 9-2013 FED– The application of G3 Operating, LLC was continued to the June 2013 hearing.

Docket No. 208-2013– The application of G3 Operating, LLC was continued to the June 2013 hearing.

Docket No. 209-2013– The application of G3 Operating, LLC was continued to the June 2013 hearing.

Docket No. 210-2013 – 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 213-2013.

Docket No. 211-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 162-2013.

Docket No. 212-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 163-2013.

Docket No. 213-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 164-2013.

Docket No. 214-2013– A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 165-2013.

Docket No. 215-2013– A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 166-2013.

Docket No. 216-2013– A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 167-2013.

Docket No. 217-2013– 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 168-2013.

Docket No. 218-2013– 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 169-2013.



Docket No. 219-2013– 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 170-2013.

Docket No. 220-2013– 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 171-2013.

Docket No. 221-2013– 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 172-2013.

Docket No. 222-2013– 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 173-2013.

Docket No. 476-2012– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 490-2012– A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 148-2013. Board member Ronald Efta was opposed.

Docket No. 491-2012– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 149-2013.

Docket No. 536-2012– The application of Marathon Oil Corporation was continued to the June 2013 hearing.

Docket No. 692-2012– The application of Slawson Exploration Company was withdrawn.

Docket No. 693-2012– The application of Slawson Exploration Company was withdrawn.

Docket No. 696-2012– The application of Slawson Exploration Company was withdrawn.

Docket No. 697-2012– The application of Slawson Exploration Company was withdrawn.

Docket No. 709-2012– The application of Slawson Exploration Company was withdrawn.

Docket No. 715-2012– The application of Apache Western Exploration LLC was continued to the June 2013 hearing.

Docket No. 736-2012– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 737-2012– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 738-2012– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 746-2012– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 758-2012– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 150-2013.

Docket No. 759-2012– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 151-2013.

Docket No. 760-2012– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 152-2013.

Docket No. 761-2012– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 153-2013.

Docket No. 762-2012– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 154-2013.

Docket No. 763-2012– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Statoil Oil & Gas LP as set forth in Board Order 155-2013.

Docket No. 15-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 159-2013.

Docket No. 16-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 160-2013.

Docket No. 17-2013– A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 161-2013.

Docket No. 36-2013– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 37-2013– The application of Oasis Petroleum, Inc. was continued to the June 2013 hearing.

Docket No. 39-2013– The application of EOG Resources, Inc. was continued to the June 2013 hearing.

Docket No. 40-2013– The application of EOG Resources, Inc. was continued to the June 2013 hearing.

Docket No. 41-2013– The application of EOG Resources, Inc. was continued to the June 2013 hearing.

Docket No. 69-2013– The application of Continental Resources, Inc. was withdrawn.

Docket No. 82-2013– A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 132-2013.

Docket No. 83-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of XTO Energy Inc. as set forth in Board Order 130-2013.

Docket No. 93-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 174-2013.

Docket No. 94-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 175-2013.

Docket No. 95-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 176-2013.

Docket No. 96-2013– A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 177-2013.

Docket No. 97-2013 – 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 212-2013.

Docket No. 98-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 99-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 100-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 101-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 102-2013– The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 103-2013 – 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 211-2013.

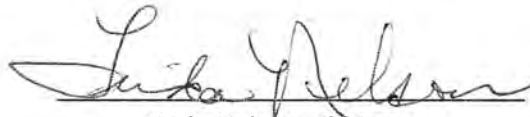
Docket No. 104-2013— A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 178-2013.

Docket No. 105-2013— The application of Slawson Exploration Company, Inc. was continued to the June 2013 hearing.

NEXT MEETING

The next business meeting of the Board will be Wednesday, June 5, 2013 at 2:00 p.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The next regular public hearing will be Thursday, June 6, 2013, beginning at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The filing deadline for the June 6, 2013, public hearing is May 9, 2013.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA



Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Ronald S. Efta

John Evans

Jack King

ATTEST:



Terri H. Perrigo, Executive Secretary