BEFORE THE BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

UPON THE APPLICATION OF MCR, LLC FOR AN ENHANCED RECOVERY AREA INJECTION PERMIT FOR INJECTION INTO THE SWIFT AND SUNBURST FORMATIONS AT A DEPTH OF APPROXIMATELY 2700 FEET WITHIN THE WHITLASH SOUTHWEST SUNBURST/SWIFT SAND UNIT, LIBERTY AND TOOLE COUNTIES, MONTANA. CORRECTED ORDER 267-2013

Docket No. 285-2013

Report of the Board

The above entitled cause came on regularly for hearing on the 6th day of June, 2013 at the Board's hearing room at 2535 St. Johns Avenue in Billings Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.

2. At the hearing applicant amended its application to include only the following lands:

Township 37 North, Range 3 East Section 12: S¹/₂ Section 13: N¹/₂N¹/₂, S¹/₂NW¹/₄ Section 14: NE¹/₄ <u>Township 37 North, Range 4 East</u> Section 7: NE¹/₄, N¹/₂ SE¹/₄, Lots 2, 3, 4, E¹/₂SW¹/₄, SE¹/₄NW¹/₄ Section 18: Lot 1

3. Applicant also stipulated that no injection well would be proposed within a one quarter mile radius of the Iverson #12 well (API# 051-05345) located in the NE¼ NE¼ of Section 7.

4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that MCR, LLC's application for an area injection permit is hereby approved as modified.

CORRECTED BOARD ORDER NO. 267-2013

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of June, 2013.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Ronald S. Efta, Board Member

John Evans, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary