IN THE MATTER OF THE APPLICATION OF RIMROCK RESOURCES, INC. FOR AN ORDER DESIGNATING THE NW¼NE¼SE¼, NE¼NW¼SE¼, SW¼SE½NE¼ AND SE¼SW¼NE¼ OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 24 EAST, YELLOWSTONE COUNTY, AS A TEMPORARY SPACING UNIT AND AUTHORIZING THE DRILLING OF A MADISON FORMATION EXPLORATORY WELL AT A LOCATION NOT LESS THAN 330 FEET FROM THE EXTERIOR BOUNDARIES OF THE REQUESTED TEMPORARY SPACING UNIT.

APPLICATION

DOCKET NO. 20 - 2018

Rimrock Resources, Inc. ("Applicant"), P.O. Box 857, Shelby, Montana 59474, presents the following Application:

- 1. Applicant possesses or controls oil and gas leasehold interests in, to and under the E½ of Section 33, Township 2 North, Range 24 East, Yellowstone County.
- 2. Applicant desires to drill its McFarland 33-2N-24E #1 Madison Formation well within and upon the above lands at an approximate location one hundred thirty-five feet (135') from the north boundary line and two hundred ninety-five feet (295') from the west boundary line of the NE¼SE¼ of Section 33.
- 3. If authorized the proposed exploratory well will be drilled to an approximate depth of five thousand nine hundred feet (5,900') to the Madison Formation to test for the presence of oil.
- 4. The Madison Formation underlying the NE¼SE¼ of Section 33 is presently subject to temporary spacing established by ARM 36.22.702(1, 2 & 7) which provides, in part, that "... no oil well with a projected depth of 6,000 feet or less shall be located closer than 330 feet to any legal subdivision line, and only one well shall be permitted to produce from the same reservoir within the same legal subdivision."
- 5. Based upon an approximate location one hundred thirty-five feet (135') from the north boundary line and two hundred ninety-five feet (295') from the west boundary line of the NE¼SE¼ of Section 33 the proposed location is not in conformity with ARM 36.22.702(1, 2 & 7).
- 6. The proposed well location is based upon geophysical data and information and the interpretation thereof and the proposed location therefore in Applicant's opinion is the optimum location for a successful oil well.

- 7. Because of the location of Applicant's proposed exploratory well, Applicant requests the NW¼NE¼SE¼, NE½NW¼SE¼, SW¼SE½NE½ AND SE½SW½NE½ of Section 33 be designated by this board as a temporary spacing unit for said well and oil produced from the Madison Formation.
- 8. Applicant requests authorization and approval from this Board to drill and produce the above well as an exception to ARM 36.22.702(1, 2 & 7).
- 9. Applicant believes the requested temporary spacing unit is necessary in order to adequately and efficiently increase the ultimate recovery of Madison Formation oil from the foregoing lands.
- 10. Applicant believes the granting of the request herein will serve to protect the correlative rights of all interested parties and will be in the best interest of prevention of waste and conservation of oil.
- 11. Should the proposed well be drilled and completed as a well capable of commercial production of oil Applicant will apply for an Order designating and delineating a permanent spacing unit for production of Madison Formation oil therefrom.

WHEREFORE, Applicant requests the following:

- 1. This matter be set for hearing by this Board and notice thereof be given as required by law;
- 2. After hearing this matter this Board enter its Order granting and approving the request of Applicant hereof; and
- 3. For such other or additional relief as this Board may deem appropriate.

Dated May 10, 2018.

LEE LAW OFFICE PC

By:

Don R. Lee, Attorney for Applicant

Lee Law Office PC

158 Main Street - P.O. Box 790

Shelby, MT 59474

Telephone: (406) 434-5244 Facsimile: (406) 434-5246 Email: don.leelaw@gmail.com

IN THE MATTER OF THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. FOR AN ORDER DESIGNATING THE SW'ASW'ANE'A, SE'ASE'ANW'A, NE'ANE'ASW'A AND NW'ANW'ASE'A OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 21 EAST, BLAINE COUNTY, AS A TEMPORARY SPACING UNIT AND AUTHORIZING THE DRILLING OF AN UPPER BOWES FORMATION EXPLORATORY WELL AT A LOCATION NOT LESS THAN 330 FEET FROM THE EXTERIOR BOUNDARIES OF THE REQUESTED TEMPORARY SPACING UNIT.

APPLICATION

DOCKET NO. 2 - 2018

Montana Land & Exploration, Inc. ("Applicant"), 2300, 144-4th Avenue SW, Calgary, Alberta Canada T2P 3N4, presents the following Application:

- 1. Applicant is the owner and operator of oil and gas leasehold interests in, to and under the SW¼ NE¼ of Section 5, Township 34 North, Range 21 East, Blaine County.
- 2. Applicant desires to drill its ML&E NW Cherry Patch 7-5-34N-21E well within and upon the above lands at an approximate location one hundred and seventy feet (170') from the south boundary line and seventy seven feet (77') from the west boundary line of the SW¼NE¼ of Section 5.
- 3. If authorized the proposed well will be drilled to an approximate depth of four thousand four hundred feet (4,400') to the Upper Bowes Formation to test for the presence of oil.
- 4. The Upper Bowes Formation underlying the SW¼NE¼ of Section 5 is presently subject to temporary spacing established by ARM 36.22.702(1, 2 & 7) which provides, in part, that "... no oil well with a projected depth of 6,000 feet or less shall be located closer than 330 feet to any legal subdivision line, and only one well shall be permitted to produce from the same reservoir within the same legal subdivision."
- 5. Based upon an approximate location one hundred and seventy feet (170') from the south boundary line and seventy seven feet (77') from the west boundary line of the SW¼NE¾ of Section 5 the proposed location is not in conformity with ARM 36.22.702(1, 2 & 7).
- 6. The proposed well location is based upon geophysical data and information and the interpretation thereof and said location in Applicant's opinion is the optimum location for a successful oil well.
- 7. Because of the location of Applicant's proposed exploratory well, Applicant requests the SW\'4SW\'4NE\'4, SE\'4SE\'4NW\'4, NE\'4NE\'4SW\'4 AND NW\'4NW\'4SE\'4 of Section 5 be

- designated by this board as a temporary spacing unit for said well and oil produced from the Upper Bowes Formation.
- 8. Applicant requests authorization and approval from this Board to drill and produce the above well as an exception to ARM 36.22.702(1, 2 & 7).
- 9. Applicant believes the requested temporary spacing unit is necessary in order to adequately and efficiently increase the ultimate recovery of Upper Bowes Formation oil from the foregoing lands.
- 10. Applicant believes the granting of the request herein will serve to protect the correlative rights of all interested parties and will be in the best interest of prevention of waste and conservation of oil
- 11. Should the proposed well be drilled and completed as a well capable of commercial production of oil Applicant will apply for an Order designating and delineating a permanent spacing unit for production of Upper Bowes Formation oil therefrom.

WHEREFORE, Applicant requests the following:

- 1. This matter be set for hearing by this Board and notice thereof be given as required by law;
- 2. After hearing this matter this Board enter its Order granting and approving the request of Applicant hereof; and
- 3. For such other or additional relief as this Board may deem appropriate.

Dated May 10, 2018.

LEE LAW OFFICE PC

Don R. Lee, Attorney for Applicant

Lee Law Office PC

158 Main Street - P.O. Box 790

Shelby, MT 59474

Telephone: (406) 434-5244 Facsimile: (406) 434-5246

Email: don.leelaw@gmail.com

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING A TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE W/2NE/4, E/2NW/4, NW/4NW/4 OF SECTION 30, AND SW/4NW/4, SW/4, SW/4SE/4 OF SECTION 19, TOWNSHIP 4 NORTH, RANGE 62 EAST, M.P.M., E/2SE/4, NW/4SE/4, NE/4, NE/4NW/4 OF SECTION 24, AND SE/4SW/4, S/2SE/4 OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 61 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE BOUNDARIES OF SAID TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 22-2018

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the CCA Unit 8B located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a horizontal Mission Canyon formation well within the CCA Unit 8B; however, the optimum wellbore geometry will require the well to be completed at locations not in compliance with the setback requirements for such wells under A.R.M. 36.22.703. Consequently, Applicant requests that the MBOCG create a TSU comprised of the W/2NE/4, E/2NW/4, NW/4NW/4 of Section 30, and SW/4NW/4, SW/4, SW/4SE/4 of Section 19, Township 4 North, Range 62 East, M.P.M., E/2SE/4, NW/4SE/4, NE/4, NE/4NW/4 of Section 24, and SE/4SW/4, S/2SE/4 of Section 13, Township 4 North, Range 61 East, M.P.M., and authorize the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the W/2NE/4, E/2NW/4, NW/4NW/4 of Section 30, and SW/4NW/4, SW/4, SW/4SE/4 of Section 19, Township 4 North, Range 62 East, M.P.M., E/2SE/4, NW/4SE/4, NE/4, NE/4NW/4 of Section 24, and SE/4SW/4, S/2SE/4 of Section 13, Township 4 North, Range 61 East, M.P.M., and (ii) authorizing the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

Ву

DENBURY

John R. Lee, Its Attorney

ONSHORE, LL

CROWLEY FLECK PLLP P.O. Box 2529 Billings, MT 59103-2529 Email: jlee@crowleyfleck.com

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING A TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE W/2SE/4, SW/4 OF SECTION 8, AND W/2NE/4, NE/4NW/4, NE/4NW/4NW/4, NE/4SE/4NW/4 OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 62 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON FROM A SURFACE LOCATION APPROXIMATELY 1,838' FNL AND 575' FEL IN SAID SECTION 17, TO A BHL APPROXIMATELY 1,909' FSL AND 320' FWL IN SAID SECTION 8, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 23-2019

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the CCA Unit 8B located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a horizontal Mission Canyon formation well within the CCA Unit 8B; however, the optimum wellbore geometry will require the well to be completed at locations not in compliance with the setback requirements for such wells under A.R.M. 36.22.703. Consequently, Applicant requests that the MBOCG create a TSU comprised of the W/2SE/4, SW/4 of Section 8, and W/2NE/4, NE/4NW/4, NE/4NW/4NW/4, NE/4SE/4NW/4 of Section 17, Township 4 North, Range 62 East, M.P.M., and authorize the drilling of a horizontal Mission Canyon formation well thereon from a surface location approximately 1,838' FNL and 575' FEL in said Section 17, to a BHL approximately 1,909' FSL and 320' FWL in said Section 8.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the W/2SE/4, SW/4 of Section 8, and W/2NE/4, NE/4NW/4, NE/4NW/4NW/4, NE/4SE/4NW/4 of Section 17, Township 4 North, Range 62 East, M.P.M., and (ii) authorizing the drilling of a horizontal Mission Canyon formation well thereon from a surface location approximately 1,838' FNL and 575' FEL in said Section 17, to a BHL approximately 1,909' FSL and 320' FWL in said Section 8, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

DENBURY ONSHORE, LEC

C

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529 Email: jlee@crowleyfleck.com IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING AN OVERLAPPING TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE SW/4NE/4 AND NW/4SE/4 OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 62 EAST, M.P.M., FALLON COUNTY, MONTANA, (TO BE COMBINED WITH ADDITIONAL LANDS LOCATED IN THE STATE OF NORTH DAKOTA) AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON FROM A SURFACE LOCATION APPROXIMATELY 1,904' FNL AND 500' FEL IN SAID SECTION 17, TO A BHL LOCATED IN THE STATE OF NORTH DAKOTA, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. <u>24-20</u>18

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the CCA Unit 8B located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a south trending horizontal Mission Canyon formation well within the CCA Unit 8B from a common pad located in the SW/4NE/4 of Section 17, Township 4 North, Range 62 East, M.P.M. It is anticipated that the W/2SE/4, SW/4 of Section 8, and W/2NE/4, NE/4NW/4, NE/4NW/4NW/4, NE/4SE/4NW/4 of Section 17, Township 4 North, Range 62 East, M.P.M., will be designated a TSU for purposes of drilling a north trending horizontal Mission Canyon formation well from the above-noted common pad. The proposed overlapping TSU will prevent waste, result in a greater ultimate recovery of Mission Canyon formation reserves, and not adversely impact correlative rights. Consequently, Applicant requests that the MBOCG create an overlapping TSU comprised of the SW/4NE/4 and NW/4SE/4 of Section 17, Township 4 North, Range 62 East, M.P.M. (to be combined with additional lands in the State of North Dakota), and authorize the drilling of a south trending horizontal Mission Canyon formation well thereon from a surface location approximately 1,904' FNL and 500' FEL in said Section 17, to a BHL located in the State of North Dakota.

B Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the SW/4NE/4 and NW/4SE/4 of Section 17, Township 4 North, Range 62 East, M.P.M. (to be combined with additional lands in the State of North Dakota), and (ii) authorizing the drilling of a south trending horizontal Mission Canyon formation well thereon from a surface location approximately 1,904' FNL and 500' FEL in said Section 17, to a BHL located in the State of North Dakota, providing that the overlapping TSU shall be limited to production from the proposed horizontal well, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

DENBURY ONSHORE, LLC

Ву

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

Email: jlee@crowleyfleck.com

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING A TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE SE/4SE/4 OF SECTION 9, SW/4SW/4 OF SECTION 10, W/2NE/4, SE/4NE/4, NW/4, N/2SE/4 OF SECTION 15, AND NE/4NE/4 OF SECTION 16, TOWNSHIP 6 NORTH, RANGE 60 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE BOUNDARIES OF SAID TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. <u>25 - 2018</u>

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the Coral Creek Unit located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a horizontal Mission Canyon formation well within the Coral Creek Unit; however, the optimum wellbore geometry will require the well to be completed at locations not in compliance with the setback requirements for such wells under A.R.M. 36.22.703. Consequently, Applicant requests that the MBOCG create a TSU comprised of the SE/4SE/4 of Section 9, SW/4SW/4 of Section 10, W/2NE/4, SE/4NE/4, NW/4, N/2SE/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., and authorize the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the SE/4SE/4 of Section 9, SW/4SW/4 of Section 10, W/2NE/4, SE/4NE/4, NW/4, N/2SE/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., and (ii) authorizing the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

By

John R. Lee, Its Attorney

CROWLEY FLECK PLLP P.O. Box 2529

DENBURY ONSHORE, I

Billings, MT 59103-2529 Email: jlee@crowleyfleck.com

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING AN OVERLAPPING TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE S/2SW/4 OF SECTION 4, SE/4SE/4, N/2SE/4, S/2NE/4, NW/4NE/4, E/2NW/4, NW/4NW/4 OF SECTION 9, SW/4SW/4 OF SECTION 10, NW/4NW/4 OF SECTION 15, AND NE/4NE/4 OF SECTION 16, TOWNSHIP 6 NORTH, RANGE 60 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE BOUNDARIES OF SAID OVERLAPPING TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 26-2018

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the Coral Creek Unit located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a north trending horizontal Mission Canyon formation well within the Coral Creek Unit from a common pad located in the SE/4SE/4 of Section 9, Township 6 North, Range 60 East, M.P.M. It is anticipated that the SE/4SE/4 of Section 9, SW/4SW/4 of Section 10, W/2NE/4, SE/4NE/4, NW/4, N/2SE/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., will be designated a TSU for purposes of drilling a south trending horizontal Mission Canyon formation well from the above-noted common pad. The proposed overlapping TSU will prevent waste, result in a greater ultimate recovery of Mission Canyon formation reserves, and not adversely impact correlative rights. Consequently, Applicant requests that the MBOCG create an overlapping TSU comprised of the S/2SW/4 of Section 4, SE/4SE/4, N/2SE/4, S/2NE/4, NW/4NE/4, E/2NW/4, NW/4NW/4 of Section 9, SW/4SW/4 of Section 10, NW/4NW/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., and authorize the drilling of a north trending horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the S/2SW/4 of Section 4, SE/4SE/4, N/2SE/4, S/2NE/4, NW/4NE/4, E/2NW/4, NW/4NW/4 of Section 9, SW/4SW/4 of Section 10, NW/4NW/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., and (ii) authorizing the drilling of a north trending horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries, providing that the overlapping TSU shall be limited to production from the proposed horizontal well, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

DENBURY ONSHORE

John R. Lee, Its Attorney

CROWLEY FLECK PLLP P.O. Box 2529 Billings, MT 59103-2529 Email: jlee@crowleyfleck.com IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING A TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE NW/4NW/4 OF SECTION 4, AND NE/4NE/4 OF SECTION 5, TOWNSHIP 6 NORTH, RANGE 60 EAST, M.P.M., SE/4, SW/4NE/4, NW/4, NE/4SW/4 OF SECTION 32, AND SW/4SW/4 OF SECTION 33, TOWNSHIP 7 NORTH, RANGE 60 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE BOUNDARIES OF SAID TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 27 - 20/8

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the Coral Creek Unit located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- 2. Applicant desires to drill a horizontal Mission Canyon formation well within the Coral Creek Unit; however, the optimum wellbore geometry will require the well to be completed at locations not in compliance with the setback requirements for such wells under A.R.M. 36.22.703. Consequently, Applicant requests that the MBOCG create a TSU comprised of the NW/4NW/4 of Section 4, and NE/4NE/4 of Section 5, Township 6 North, Range 60 East, M.P.M., SE/4, SW/4NE/4, NW/4, NE/4SW/4 of Section 32, and SW/4SW/4 of Section 33, Township 7 North, Range 60 East, M.P.M., and authorize the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the NW/4NW/4 of Section 4, and NE/4NE/4 of Section 5, Township 6 North, Range 60 East, M.P.M., SE/4, SW/4NE/4, NW/4, NE/4SW/4 of Section 32, and SW/4SW/4 of Section 33, Township 7 North, Range 60 East, M.P.M., and (ii) authorizing the drilling of a horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of May, 2018.

DENBURY ONSHORE, DLC

By

John R. Lee, Its Attorney

CROWLEY FLECK PLLP P.O. Box 2529

Billings, MT 59103-2529 Email: jlee@crowleyfleck.com

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE, LLC FOR AN ORDER CREATING AN OVERLAPPING TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE SE/4SE/4 OF SECTION 32, SW/4SW/4 OF SECTION 33, TOWNSHIP 7 NORTH, RANGE 60 EAST, M.P.M., AND NE/4NE/4 OF SECTION 5, NW/4NW/4, S/2NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 OF SECTION 4, AND NW/4NE/4, NE/4NW/4 OF SECTION 9, TOWNSHIP 6 NORTH, RANGE 60 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A HORIZONTAL MISSION CANYON FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE BOUNDARIES OF SAID OVERLAPPING TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 18-2018

APPLICATION

DENBURY ONSHORE, LLC, 5320 Legacy Drive, Plano, Texas 75024

[A] Presents the following application:

- 1. Applicant is an interest owner and operator of the captioned lands, which lie within the Coral Creek Unit located in Fallon County, Montana. Although unitized, the Mission Canyon formation underlying said lands is not subject to any spacing orders of the Montana Board of Oil and Gas Conservation ("MBOGC").
- Applicant desires to drill a south trending horizontal Mission Canyon formation well within the Coral Creek Unit from a common pad located in the NW/4NW/4 of Section 4, Township 6 North, Range 60 East, M.P.M. It is anticipated that the NW/4NW/4 of Section 4, and NE/4NE/4 of Section 5, Township 6 North, Range 60 East, M.P.M., SE/4, SW/4NE/4, NW/4, NE/4SW/4 of Section 32, and SW/4SW/4 of Section 33, Township 7 North, Range 60 East, M.P.M., will be designated a TSU for purposes of drilling a north trending horizontal Mission Canyon formation well from the above-noted common pad. It is further anticipated that the S/2SW/4 of Section 4, SE/4SE/4, N/2SE/4, S/2NE/4, NW/4NE/4, E/2NW/4, NW/4NW/4 of Section 9, SW/4SW/4 of Section 10, NW/4NW/4 of Section 15, and NE/4NE/4 of Section 16, Township 6 North, Range 60 East, M.P.M., will be designated a TSU for purposes of drilling a horizontal Mission Canyon formation well. The proposed overlapping TSU will prevent waste, result in a greater ultimate recovery of Mission Canyon formation reserves, and not adversely impact correlative rights. Consequently, Applicant requests that the MBOCG create an overlapping TSU comprised of the SE/4SE/4 of Section 32, SW/4SW/4 of Section 33, Township 7 North, Range 60 East, M.P.M., and NE/4NE/4 of Section 5, NW/4NW/4, S/2NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 of Section 4, and NW/4NE/4, NE/4NW/4 of Section 9, Township 6 North, Range 60 East, M.P.M., and authorize the drilling of a south trending horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the MBOGC enter its order (i) creating a TSU comprised of the SE/4SE/4 of Section 32, SW/4SW/4 of Section 33, Township 7 North, Range 60 East, M.P.M., and NE/4NE/4 of Section 5, NW/4NW/4, S/2NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 of Section 4, and NW/4NE/4, NE/4NW/4 of Section 9, Township 6 North, Range 60 East, M.P.M., and (ii) authorizing the drilling of a south trending horizontal Mission Canyon formation well thereon at any location not closer than 660' to the TSU boundaries, providing that the overlapping TSU shall be limited to production from the proposed horizontal well, and such other and further relief as the MBOGC may deem appropriate.

DENBURY ONSHORE, LDC

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