

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
HELENA, MONTANA

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold its regular business meeting at 2:00 p.m., Wednesday, September 6, 2006, **in the Olympic Room at the Duck Inn in Havre, Montana.** The agenda for that meeting is:

1. Call to order
2. Approval of minutes of July 26, 2006 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Legal services contract
7. Default docket
8. Staff reports

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m. Thursday, September 7, 2006, **in the Olympic Room at the Duck Inn in Havre, Montana.** For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6675 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket No. 328-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek 22-11CCH horizontal Red River producing well (API # 25-025-05145) located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, T6N-R60E, Lookout Butte Field, Fallon County, Montana, to a horizontal water injection well to inject produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 329-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek 11-15CCH producing horizontal Red River well (API # 25-025-21445) located in Lookout Butte Field in Fallon County, Montana, with a surface hole location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, T6N-R60E, to a horizontal water injection well to inject produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 330-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Pannel 14X-32C well (API # 25-025-21856), which is an active producer pumping from the Red River U6 interval and located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, T8N-R60E, Pannel Field, Fallon County, Montana, to a salt water disposal well within the Pannel Waterflood Unit to dispose of produced water from applicant's Pannel oil field production operations. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 331-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek 14-14CCH horizontal Red River producing well (API # 25-025-21573) located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14, T6N-R60E, Lookout Butte Field, Fallon County, Montana, to a horizontal water injection well to inject produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 332-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek #42-10RCCH producing horizontal Red River well (API # 25-025-21438) located in Lookout Butte Field in Fallon County, Montana, with a surface hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10, T6N-R60E, to a horizontal water injection well to inject produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 333-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek #44-03CCH producing horizontal Red River well (API # 25-025-05153) located in Lookout Butte Field in Fallon County, Montana, with a surface hole location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, T6N-R60E, to a horizontal water injection well to inject produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 334-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek 12X-14H producing horizontal Red River well (API # 25-025-21536) located in Lookout Butte Field in Fallon County, Montana, with a surface hole location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, T6N-R60E, to a horizontal water injection well to dispose of produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 335-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek 44X-15H horizontal Red River producing well (API # 25-025-21517) located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, T6N-R60E, in Lookout Butte Field in Fallon County, Montana, to a horizontal water injection well to dispose of produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 336-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **Encore Operating, L.P.** to convert the Coral Creek #24XX-15H horizontal Red River producing well (API # 25-025-22521) located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T6N-R60E, Lookout Butte Field, Fallon County, Montana, to a horizontal water injection well to dispose of produced fluids into the Red River Formation. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 337-2006

APPLICANT: NANCE PETROLEUM CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of all of Section 20, T22N-R58E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Simard Farms 4-20H well as the authorized well for said spacing unit.

Docket No. 338-2006

APPLICANT: NANCE PETROLEUM CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to drill an additional Bakken Formation horizontal well in the 640-acre permanent spacing unit comprised of all of Section 20, T22N-R58E, Richland County, Montana, with said horizontal lateral to be located no closer than 660 feet to the exterior boundaries of said spacing unit.

Docket No. 339-2006

APPLICANT: NANCE PETROLEUM CORPORATION – ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of the W $\frac{1}{2}$, NE $\frac{1}{4}$ of Section 26, T28N-R58E, Roosevelt County, Montana, for production of oil and associated gas from the Ratcliffe Formation and to designate applicant's Simard 13-26XH well as the authorized well for said spacing unit.

Docket No. 340-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – FALLON COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to convert the currently producing horizontal Corral Creek 1-2F well (API # 25-025-21701) located in the West Cedar Hills Unit in Fallon County, Montana, with a surface hole location in the NWSW of Section 2, T6N-R61E, to a water injection well in the Red River "B" Formation for enhanced recovery purposes. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 341-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit comprised of all of Sections 14 and 23, T25N-R55E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Thelma #1-23H well as the authorized well for said spacing unit.

Docket No. 342-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation dual lateral horizontal well in the permanent spacing unit comprised of all of Sections 14 and 23, T25N-R55E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit. Applicant requests placement on the Default Docket.

Docket No. 343-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit comprised of all of Sections 18 and 19, T24N-R53E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Candee #1-18H well as the authorized well for said spacing unit.

Docket No. 344-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation dual lateral horizontal well in the permanent spacing unit comprised of all of Sections 18 and 19, T24N-R53E, Richland County, Montana, with said laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit. Applicant requests placement on the Default Docket.

Docket No. 345-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit comprised of all of Section 12, T25N-R54E and all of Section 7, T25N-R55E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Elm #1-12H well as the authorized well for said spacing unit.

Docket No. 346-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation dual lateral horizontal well in the permanent spacing unit comprised of all of Section 12, T25N-R54E and all of Section 7, T25N-R55E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit. Applicant requests placement on the Default Docket.

Docket No. 347-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit comprised of all of Section 10, T23N-R54E, Richland County, Montana, for production of oil and associated gas from the Bakken Formation and to designate applicant's Karen #1-10H well as the authorized well for said spacing unit.

Docket No. 348-2006

APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP – RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil, Limited Partnership** to vacate Board Order 65-2004, which created a temporary spacing unit comprised of all of Sections 15 and 22, T26N-R52E, Richland County, Montana, and to designate a new temporary spacing unit comprised of all of Sections 22 and 23, T26N-R52E, Richland County, Montana, for the purposes of drilling a horizontal Bakken formation well anywhere within the new temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 349-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to create a permanent spacing unit comprised of all of Section 27, T27N-R53E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket No. 350-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to create a permanent spacing unit comprised of all of Section 32, T26N-R54E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket No. 351-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to create a permanent spacing unit comprised of Lots 1, 2, 3, 4, E½W½, E½ (All) of Section 18, T26N-R53E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket No. 352-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (All) of Section 3 and all of Section 10, T25N-R53E, Richland County, Montana, anywhere within said permanent spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 353-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (All) of Section 4 and all of Section 9, T25N-R53E, Richland County, Montana, to be located anywhere within said permanent spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 354-2006

APPLICANT: EOG RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **EOG Resources, Inc.** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (All) of Section 5 and all of Section 8, T25N-R53E, Richland County, Montana, to be located anywhere within said permanent spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 355-2006

APPLICANT: BILL BARRETT CORPORATION – ROOSEVELT COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to create a permanent spacing unit comprised of all of Section 31, T30N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation.

Docket No. 356-2006

APPLICANT: BILL BARRETT CORPORATION – ROOSEVELT COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to create a permanent spacing unit comprised of all of Section 34, T30N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation.

Docket No. 357-2006

APPLICANT: BILL BARRETT CORPORATION – ROOSEVELT COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to create a permanent spacing unit comprised of the NW¼ of Section 4 and the N½ of Section 5, T29N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation.

Docket No. 358-2006

APPLICANT: BILL BARRETT CORPORATION – ROOSEVELT COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to pool all interests in the permanent spacing unit comprised of the NW¼ of Section 4 and the N½ of Section 5, T29N-R58E, Roosevelt County, Montana, for production of oil and associated natural gas from the Ratcliffe Formation and to authorize recovery of non-consent penalties in accordance with Section 82-11-202(2) M.C.A.

Docket No. 359-2006

APPLICANT: KLABZUBA OIL & GAS, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to authorize the Robinson-Federal #3-12-25-18B well to be produced as an increased density well in the permanent spacing unit comprised of all of Section 3, T25N-R18E, Blaine County, Montana, and to authorize the commingling of Eagle Sand and Judith River Formation gas in the wellbore of the Robinson-Federal #3-12-25-18B well. Applicant requests placement on the Default Docket.

Docket No. 360-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the E½ of Section 26 and the W½ of Section 25, T31N-R19E, Blaine County, Montana, to drill a gas well anywhere within said temporary spacing unit but not closer than 600 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant requests placement of the Default Docket.

Docket No. 361-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the S½SW¼ of Section 16, the S½SE¼ of Section 17, the N½NE¼ of Section 20 and the N½NW¼ of Section 21, T32N-R17E, Hill County, Montana, to drill a gas well anywhere within said temporary spacing unit but not closer than 600 feet to the boundaries thereof as an exception to Board Order 10-70. [Tiger Ridge Field] Applicant requests placement of the Default Docket.

Docket No. 362-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the NE¼ of Section 21 and the NW¼ of Section 22, T32N-R17E, Hill County, Montana, to drill a gas well anywhere within said temporary spacing unit but not closer than 600 feet to the boundaries thereof as an exception to Board Order 10-70. [Tiger Ridge Field] Applicant requests placement of the Default Docket.

Docket No. 363-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a permanent spacing unit comprised of the NE¼ of Section 28, T25N-R18E, Blaine County, Montana, for production of Eagle Sand Formation gas through the wellbore of the US DIR #28-01-25-18 well and to authorize said well to be produced at a location 685' FNL and 525' FEL of said Section 28.

Docket No. 364-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an Eagle Sand Formation gas well at an approximate location 945' FSL and 2110' FEL of Section 17, T31N-R19E, Blaine County, Montana, with a 150-foot topographic tolerance in any direction as an exception to Board Orders 23-54 and 44-75 (Bowes Gas Field) . Applicant requests placement on the Default Docket.

Docket No. 365-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an additional Eagle Sand Formation gas well anywhere within the SE¼ of Section 17, T31N-R19E, Blaine County, Montana, but not closer than 300 feet to the internal quarter section lines in said Section 17, as an exception to Board Orders 23-54 and 44-75 (Bowes Gas Field). Applicant requests placement on the Default Docket.

Docket No. 366-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill two additional Eagle Sand Formation gas wells anywhere within the permanent spacing unit comprised of Section 20, T32N-R17E, Hill County, Montana, but not closer than 600 feet to the boundaries thereof, with a 75-foot topographic tolerance as an exception to Board Order 10-70 (Tiger Ridge Field). Applicant requests placement on the Default Docket.

Docket No. 367-2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to designate the following described lands in Big Horn County, Montana, as a field for production of coal bed natural gas from all coal bed zones from the surface to the base of the Fort Union Formation; to establish 80-acre spacing units with 220-foot setbacks; and to authorize commingling in the wellbore of gas produced from different coal beds.

T7S-R40E

- Section 1: All
- Section 2: All
- Section 3: All
- Section 9: SE $\frac{1}{4}$
- Section 10: All
- Section 11: All
- Section 12: All
- Section 13: All
- Section 14: All
- Section 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
- Section 21: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
- Section 22: All
- Section 23: All
- Section 24: All
- Section 25: All
- Section 26: All
- Section 27: All
- Section 34: All
- Section 35: All
- Section 36: All

Applicant notes that the above-described lands are subject to Board Order 99-99 and the Record of Decision dated March 26, 2003. A separate application requesting approval of applicant's Fourmile East Project Plan of Development for the above-described lands has been filed with the Board.

Docket No. 368-2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** for an order approving its Fourmile East Project Plan of Development for coal bed natural gas exploration and development upon the following described lands in Big Horn County, Montana:

T7S-R40E

- Section 1: All
- Section 2: All
- Section 3: All
- Section 9: SE $\frac{1}{4}$
- Section 10: All
- Section 11: All
- Section 12: All
- Section 13: All
- Section 14: All
- Section 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
- Section 21: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
- Section 22: All
- Section 23: All
- Section 24: All
- Section 25: All
- Section 26: All
- Section 27: All
- Section 34: All
- Section 35: All
- Section 36: All

Applicant states the above-described lands are subject to Board Order 99-99 and the Record of Decision dated March 26, 2003. Applicant proposes to drill and develop the above-described lands for coal bed natural gas with well densities greater than one well per 640 acres. Prior to hearing, applicant will submit its Fourmile East Project Plan of Development for the above-described lands to Board staff.

Docket No. 369-2006

APPLICANT: SAGE PETROLEUM CORP. – CARBON COUNTY, MONTANA

Upon the application of **Saga Petroleum Corp.** to amend Board Order 25-75, which established the Middle Dry Creek Gas Field, to include the N½SW¼ and the NW¼ of Section 10, T7S-R21E, Carbon County, Montana, within the field delineation for production of Frontier Formation gas and to authorize applicant's Schleiderer #6-10 well to be produced at a location 2007' FNL and 2014' FWL of said Section 10.

Docket No. 370-2006

APPLICANT: COMPASS ENERGY, INC. – PONDERA COUNTY, MONTANA

Upon the application of **Compass Energy, Inc.** to create 160-acre temporary spacing units in Sections 19 and 30, T29N-R5W, Pondera County, Montana, to drill up to three additional Kootenai Formation natural gas wells in both of said Sections 19 and 30, with said additional wells to be located anywhere in either section but not closer than 660 feet to the boundaries thereof. Applicant requests authority to commingle and produce gas from multiple Kootenai Formation zones through the same casing string in any of the additional wells. Applicant will apply for permanent spacing within 90 days of first production. Applicant further requests that any protests of this application be filed with the Board at least five days prior to hearing. Applicant requests placement on the Default Docket.

Docket No. 371-2006

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to drill its ML&E SE Battle 15-3 regional Eagle Formation gas test well in the SW¼SE¼ of Section 3, T34N-R20E, Blaine County, Montana, at a location 695' FSL and 1907' FEL of said Section 3 as an exception to A.R.M. 36.22.702. Applicant further requests that any protests of this application be filed with the Board at least five days prior to hearing. Applicant requests placement on the Default Docket.

Docket No. 372-2006

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to create a permanent spacing unit comprised of all of Section 33, T34N-R22E, Blaine County, Montana, for its ML&E NE Cherry Patch 6-33 pop-up Eagle Formation natural gas well, and to authorize the drilling of an additional pop-up Eagle Formation natural gas well (the ML&E NE Cherry Patch 7-33) at a location 1708' FEL and 1980' FNL of said Section 33. Applicant further requests that any protests of this application be filed with the Board at least five days prior to hearing.

Docket No. 373-2006

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to drill a regional Eagle Formation natural gas well in a temporary spacing unit for the regional Eagle comprised of all of Section 22, T33N-R21E, Blaine County, Montana, at a location approximately 1073' FSL and 1627' FWL of said Section 22. Applicant requests that any protests of this application be filed with the Board at least five days prior to hearing. Applicant requests placement on the Default Docket.

Docket No. 374-2006

APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA

Upon the application of **MCR, LLC** to convert the SASU #44X-26 well (API # 25-101-23994), which is currently producing from the Sunburst "A" Formation in the Fred & George Creek Field and is located 705' FSL and 980' FEL of Section 26, T37N-R2E, Toole County, Montana, to a water injection well to inject produced and recycled water into the Sunburst "A" sand within the Fred & George Creek Sunburst "A" Sand Unit. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 375-2006

APPLICANT: WAVE, USA, INC. – TOOLE COUNTY, MONTANA

Upon the application of **Wave, USA, Inc.** to drill an oil well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, T37N-R2E, Toole County, Montana, to test the Sunburst Sand Formation at a location 569' FSL and 106' FEL of said Section 26 as an exception to A.R.M. 36.22.702 and Board Orders 29-63 [Fred and George Creek Oil Field] and 13-70 [Fred and George Creek Sunburst "A" Sand Unit].

Docket No. 376-2006

APPLICANT: MONTANA BOARD OF OIL & GAS CONSERVATION – GLACIER COUNTY, MONTANA

Upon the Board's own motion to vacate Board Order 31-61, which approved a waterflood project in the South East Cut Bank Sand Unit (SECBSU) of the Cut Bank Field in Glacier County, Montana. The SECBSU was a federal unit terminated by the Bureau of Land Management effective October 25, 1993.

Docket No. 194-2006
Continued from May 2006

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to create a temporary spacing unit comprised of the NE $\frac{1}{4}$ of Section 30, T33N-R21E, Blaine County, Montana, to drill its ML&E SW Cherry Patch 1-30 Eagle Formation test well 767' FNL and 855' FEL of said Section 30 as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket with automatic continuance if a protest or request for hearing is received.

Docket No. 312-2006
Continued from July 2006

APPLICANT: FLYING J OIL & GAS INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Flying J Oil & Gas Inc.** to drill a dual lateral horizontal Nisku Formation oil test well in a 960-acre temporary spacing unit comprised of all of Section 13 and the N $\frac{1}{2}$ of Section 24, T36N-R52E, Sheridan County, Montana, and to authorize said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof as an exception to Board Order 19A-1959 and A.R.M. 36.22.703. (Outlook Field) Applicant requests placement on the Default Docket.

Docket No. 321-2006
Continued from July 2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to designate the following described lands as a field for production of coal bed natural gas from all coal bed zones from the surface to the base of the Fort Union Formation, to establish 80-acre spacing units with 220-foot setbacks, and to authorize commingling in the wellbore of gas produced from different coal beds.

T7S-R40E

Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: N $\frac{1}{2}$, SW $\frac{1}{4}$
Section 15: W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All

Applicant notes that the above-described lands are subject to Board Order 99-99 and the Record of Decision dated March 26, 2003. Applicant requests approval of 80-acre spacing units with 220-foot setbacks for the above-described lands, with one well per coal bed per spacing unit, and authority to commingle gas from different coal beds in the wellbore. An application requesting approval of applicant's Fourmile West Project Plan of Development for the above-described lands has been filed with Board staff.

Docket No. 322-2006
Continued from July 2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** for an order approving its Fourmile West Project Plan of Development for coal bed natural gas exploration and development upon the following described lands in Big Horn County, Montana:

T7S-R40E

Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: N½, SW¼
Section 15: W½SW¼
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: W½, W½SE¼
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All

Applicant states the above-described lands are subject to Board Order 99-99 and the Record of Decision dated March 26, 2003. Applicant proposes to drill and develop the above-described lands for coal bed natural gas with well densities greater than one well per 640 acres. Prior to hearing, applicant will submit its Fourmile West Project Plan of Development for the above-described lands to Board staff.

Docket No. 325-2006
Continued from July 2006

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to create a temporary spacing unit comprised of all of Sections 5 and 8, T25N-R52E, Richland County, Montana, to drill a dual lateral horizontal Bakken Formation well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 326-2006
Continued from July 2006

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - RICHLAND COUNTY, MONTANA

Upon the application of **Burlington Resources Oil & Gas Company LP** to create a temporary spacing unit comprised of all of Sections 18 and 19, T25N-R52E, Richland County, Montana, to drill a dual lateral horizontal Bakken Formation well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 377-2006
SHOW-CAUSE HEARING

RESPONDENT: NERDLIHC COMPANY, INC. – DANIELS COUNTY, MONTANA

Upon the Board's own motion to require **Nerdlhc Company, Inc.** to appear and show cause, if any it has, why its bond should not be forfeited for failure to clean up the Fugere tank battery site located in Section 30, T34N-R48E, Daniels County, Montana.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri H. Perrigo
Executive Secretary