

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, December 5, 2007, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza Billings in Billings, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of October 24, 2007 business meeting
3. Opportunity for public comment
4. Bond report
5. Financial report
6. Schedule 2008
7. Rocky Mountain Gas, Inc.
8. Default docket
9. 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, December 6, 2007, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza Billings in Billings, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6970 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket 399-2007

APPLICANT: CITATION OIL & GAS CORP. – FALLON COUNTY, MONTANA

Upon the application of **Citation Oil & Gas Corp.** to create a permanent spacing unit comprised of the E½ of Section 14, T9N-R58E, Fallon County, Montana, for production of oil and associated gas from the Red River “B” Formation, to designate the Reinhartsen # 34-14H well as the authorized well for said permanent spacing unit, and to amend Board Order 12-1959 to exclude the Red River “B” Formation insofar as the SE¼ of said Section 14 is concerned. (Monarch Field)

Docket 400-2007

APPLICANT: MARATHON OIL COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Marathon Oil Company** to create a permanent spacing unit comprised of all of Sections 20 and 29, T26N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 401-2007

APPLICANT: MARATHON OIL COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Marathon Oil Company** to create a permanent spacing unit comprised of all of Sections 11 and 14, T25N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 402-2007

APPLICANT: WESTERN NATURAL GAS CO. – TOOLE COUNTY, MONTANA

Upon the application of **Western Natural Gas Co.** to create a permanent spacing unit comprised of the S½ of Section 8, T37N-R1E, Toole County, Montana for all formations from the surface to the top of the Rierdon Formation, to authorize the drilling of a natural gas test well thereon at a location 1711' FSL and 1200' FEL of said spacing unit, and to authorize applicant to produce said well if completed as a well capable of commercial natural gas production.

Docket 403-2007

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

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a temporary spacing unit comprised of the N½ of Section 7, T35N-R17E, Hill County, Montana, to drill a gas well (the Bessette #7-3-35-17) at a proposed location 902' FNL and 2089' FWL of said Section 7, with a 25-foot topography tolerance, to test prospective zones and formations from the surface down to the base of the Second White Specks Formation as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 404-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to create a permanent spacing unit comprised of all of Section 13, T24N-R57E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 405-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the permanent spacing unit comprised of all of Section 13, T24N-R57E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A., with respect to the Peanut East – Myrl #13-4-H well.

Docket 406-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 20 and 29, T25N-R54E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 407-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 19 and 30, T25N-R54E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 408-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 30 and 31, T23N-R58E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 409-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Section 35, T24N-R56E and all of Section 2, T23N-R56E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 410-2007

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 19 and 30, T24N-R56E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 411-2007

APPLICANT: THOMAS OPERATING COMPANY, INC. – ROSEBUD COUNTY, MONTANA

Upon the application of **Thomas Operating Company, Inc.** to convert the CTSU C115 well (API #25-087-05291) located in the NW NE of Section 15, T11N-R32E, Rosebud County, Montana, (Sumatra Field), to a Class II injection well in the Tyler Formation at a depth of approximately 4600 feet. Staff notes this application is eligible for placement on the Default Docket.

Docket 412-2007

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of the N½ of Section 15, T28N-R58E, Roosevelt County, Montana, and to designate the Granley 4-15YH well as the authorized well for said spacing unit.

Docket 413-2007

APPLICANT: NANCE PETROLEUM CORPORATION - SHERIDAN COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to designate all of Section 11, T33N-R58E, Sheridan County, Montana, as a 640-acre overlapping permanent spacing unit for the Gunton Formation, to designate applicant's Melby 1-11H well as the authorized well for said permanent spacing unit, and to provide that the requested permanent spacing unit is limited to Gunton Formation production from the Melby 1-11H well. (Brush Lake Field)

Docket 414-2007

APPLICANT: NEWFIELD ROCKY MOUNTAINS – RICHLAND COUNTY, MONTANA

Upon the application of **Newfield Rocky Mountains** to create a field and permanent spacing unit comprised of all of Sections 35 and 36, T23N-R58E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 415-2007

APPLICANT: NEWFIELD ROCKY MOUNTAINS – RICHLAND COUNTY, MONTANA

Upon the application of **Newfield Rocky Mountains** to pool all interests in the permanent spacing unit comprised of all of Sections 35 and 36, T23N-R58E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 416-2007

APPLICANT: NEWFIELD ROCKY MOUNTAINS – RICHLAND COUNTY, MONTANA

Upon the application of **Newfield Rocky Mountains** to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 35 and 36, T23N-R58E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

Docket 417-2007

APPLICANT: SINCLAIR OIL & GAS COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Sinclair Oil & Gas Company** to create a temporary spacing unit comprised of all of Sections 16 and 21, T27N-R53E, Richland County, Montana, to drill a horizontal well to the Bakken Formation, and to locate said well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket, with automatic continuance if a protest or request to hear is received.

Docket 418-2007

APPLICANT: SINCLAIR OIL & GAS COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Sinclair Oil & Gas Company** to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of all of Sections 15 and 22, T27N-R53E, Richland County, Montana, said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket, with automatic continuance if a protest or request to hear is received.

Docket 419-2007

APPLICANT: SINCLAIR OIL & GAS COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Sinclair Oil & Gas Company** to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of all of Sections 23 and 26, T27N-R53E, Richland County, Montana, said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket, with automatic continuance if a protest or request to hear is received.

Docket 420-2007

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

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Section 28, T23N-R55E, Richland County, Montana, and to designate it's Patricia 1-28H well as the authorized well for said spacing unit.

Docket 421-2007

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

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Section 18, T23N-R54E, Richland County, Montana, and to designate it's Hazel 1-18H well as the authorized well for said spacing unit.

Docket 422-2007

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

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Section 18, T23N-R54E, Richland County, Montana, on the basis of surface acreage, and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A., with respect to Bakken Formation production from the Hazel 1-18H well.

Docket 423-2007

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

Upon the application of **Flying J Oil & Gas Inc.** to permit the flaring of more than 100 mcf per day of associated gas from the Reugsegger #4N-24H well in Section 24, T36N-R52E, Sheridan County, Montana, until February 1, 2008, as an exception to A.R.M. 36.22.1220. (Outlook Field)

Docket 424-2007

APPLICANT: CHESAPEAKE OPERATING, INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Chesapeake Operating, Inc.** to create a permanent spacing unit comprised of the SW $\frac{1}{4}$ of Section 29 and the NW $\frac{1}{4}$ of Section 32, T35N-R57E, Sheridan County, Montana, for production of oil and associated natural gas from the Red River Formation.

Docket 425-2007

APPLICANT: CHESAPEAKE OPERATING, INC. - SHERIDAN COUNTY, MONTANA

Upon the application of **Chesapeake Operating, Inc.** to pool all interests in the permanent spacing unit comprised of the SW $\frac{1}{4}$ of Section 29 and the NW $\frac{1}{4}$ of Section 32, T35N-R57E, Sheridan County, Montana, for production of oil and associated natural gas from the Red River Formation, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 426-2007

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 SE $\frac{1}{4}$ of Section 25 and the NE $\frac{1}{4}$ of Section 36, T27N-R19E, and Lots 3 and 4 of Section 30, T27N-R20E, Blaine County, Montana, for production of Eagle Formation gas through the wellbore of the State DIR #25-16-27-19 well. (Sawtooth Mountain Field)

Docket 427-2007 and 7-2008 FED

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

Upon the application of **Devon Energy Production Company, L.P.** to establish 160-acre permanent spacing units comprised of regular governmental quarter sections in Section 24, T30N-R15E, Hill County, Montana, for production of Judith River Formation gas, and to authorize commingling of Judith River Formation gas with Eagle Formation gas in wells at locations anywhere within said spacing units but not closer than 660 feet to the boundaries thereof, or, if drilled directionally, with a 60-foot tolerance at the intercept of the Judith River Formation. (Tiger Ridge Field)

Docket 428-2007

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 Formation gas well (the Brewer DIR #25-09-25-17) at a location in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, T25N-R17E, Blaine County, Montana, not closer than 990 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 429-2007 and 8-2008 FED

APPLICANT: HELIS OIL & GAS COMPANY, L.L.C. – VALLEY COUNTY, MONTANA

Upon the application of **Helis Oil & Gas Company, L.L.C.** for an order creating an enhanced recovery unit (the Midfork Charles “C” Unit Area) for oil and gas within the Charles “C” Formation underlying the following lands which comprise approximately 1120 acres in Valley County, Montana.

T30N-R45E
Section 15: N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 16: N $\frac{1}{2}$, SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Applicant also requests approval of the Plan of Operations for the requested unit, which consists of a Unit Agreement and a Unit Operating Agreement; and requests that all existing spacing orders be vacated as they relate to the unit area and unitized formation. (Midfork Field)

Docket 430-2007

APPLICANT: KEESUN CORP. - TOOLE COUNTY, MONTANA

Upon the application of **Keesun Corp.** to produce natural gas from the KeeSun #4B-24 Danser well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24, T34N-R3W, Toole County, Montana, at a location 220' FNL and 220' FWL of said Section 24. The KeeSun #4B-24 Danser well is productive of crude oil from the Mississippian-Madison Formation and natural gas from the Swift Formation, but the location of the well is not a legal location for natural gas production. (Kevin-Sunburst Field)

Docket 431-2007

APPLICANT: ALTAMONT OIL & GAS, INC. - PONDERA COUNTY, MONTANA

Upon the application of **Altamont Oil & Gas, Inc.** to create a permanent spacing unit comprised of the NW $\frac{1}{4}$ of Section 19, T29N-R5W, Pondera County, Montana, for production of natural gas from all zones from the surface of the earth to the top of the Kootenai Formation, and to designate applicant's Vandembos 19-1 well as the authorized well for said permanent spacing unit. (Lake Francis Field)

Docket 48-2007
Continued from April 2007

APPLICANT: PT ENERGY, LLC - TOOLE COUNTY, MONTANA

Upon the application of **PT Energy, LLC** to delineate the S $\frac{1}{2}$ NWNW and the N $\frac{1}{2}$ SWNW of Section 1, T31N-R3E, Toole County, Montana, as a 40-acre permanent spacing unit to drill an oil test well at a location of 1235' FNL and 442' FWL of said Section 1.

Docket 269-2007
Continued from July 2007

APPLICANT: CHESAPEAKE OPERATING, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Chesapeake Operating, Inc.** to create a permanent spacing unit comprised of the SE $\frac{1}{4}$ of Section 18, T26N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Madison Group (Ratcliffe/Mission Canyon commingled) through the wellbore of applicant's Hardy #1-18 well located 2110' FSL and 1915' FEL of said Section 18.

Docket 270-2007
Continued from July 2007

APPLICANT: CHESAPEAKE OPERATING, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Chesapeake Operating, Inc.** to pool all interests in the spacing unit comprised of the SE¼ of Section 18, T26N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Madison Group (Ratcliffe/Mission Canyon commingled) through the wellbore of applicant's Hardy #1-18 well located 2110' FSL and 1915' FEL of said Section 18, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 344-2007
Continued from September 2007

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

Upon the application of **Devon Energy Production Company, L.P.** to authorize production of Judith River gas through the wellbore of the State #16-05-27-17 well located 1863' FNL and 955' FWL of Section 16, T27N-R17E, Chouteau County, Montana, as an exception to A.R.M. 36.22.702.

Docket 348-2007
Continued from October 2007

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

Upon the application of **Pinnacle Gas Resources, Inc.** for a Class II injection permit for convert the Visborg 11SA-22-0841 (API # 25-003-22690) located 1999' FSL and 2272' FWL of Section 22, T8S-R41E, Big Horn County, Montana, to inject produced coal bed natural gas water from nearby wells into the Anderson (also called Dietz 1) coal seam. Staff notes this application is eligible for placement on the Default Docket. (Coal Creek Field)

Docket 350-2007
Continued from October 2007

APPLICANT: WESTERN NATURAL GAS CO. – TOOLE COUNTY, MONTANA

Upon the application of **Western Natural Gas Co.** to create a permanent spacing unit comprised of the N½ of Section 8, T37N-R1E, Toole County, Montana, for all formations from the surface to the top of the Rierdon Formation and to authorize the drilling of a natural gas test well thereon at a location 802' FNL and 582' FEL of said section.

Docket 351-2007
Continued from October 2007

APPLICANT: WESTERN NATURAL GAS CO. – TOOLE COUNTY, MONTANA

Upon the application of **Western Natural Gas Co.** to create a permanent spacing unit comprised of the N½ of Section 10, T37N-R1E, Toole County, Montana for all formations from the surface to the top of the Rierdon Formation and to authorize the drilling of a natural gas test well thereon at a location 896' FNL and 1728' FEL of said section.

Docket 352-2007
Continued from October 2007

APPLICANT: TARGE ENERGY EXPLORATION AND PRODUCTION, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Targe Energy Exploration and Production, LLC** to create a permanent spacing unit comprised of Lots 3 & 4, E½SW¼, SE¼ (S½) of Section 18, T34N-R1E, Toole County, Montana, for production of natural gas from the Bow Island Formation and to drill and produce, if commercial, a test well to the Bow Island Formation at a location 1600' FSL and 2400' FEL of said Section 18.

Docket 362-2007
Continued from October 2007

APPLICANT: NADEL & GUSSMAN ROCKIES, L.L.C. - CARTER COUNTY, MONTANA

Upon the application of **Nadel & Gussman Rockies, L.L.C.** to create a field and permanent spacing unit comprised of Lots 1-3, 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, for production of oil and associated natural gas from the Red River Formation through the Hat Creek Federal #1 well.

Docket 363-2007
Continued from October 2007

APPLICANT: NADEL & GUSSMAN ROCKIES, L.L.C. - CARTER COUNTY, MONTANA

Upon the application of **Nadel & Gussman Rockies, L.L.C.** to pool all interests in the permanent spacing unit comprised of Lots 1-3, 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, for production of oil and associated natural gas from the Red River Formation with respect to the Hat Creek Federal #1 well, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 373-2007
Continued from October 2007

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of all of Section 6, T27N-R59E, Roosevelt County, Montana, for the Ratcliffe Formation, and to designate the Nelson Ranch 1-6HR well as the authorized well for said spacing unit.

BOARD OF OIL AND GAS CONSERVATION

Terri H. Perrigo
Executive Secretary

