

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

UPON THE APPLICATION OF  
ENCORE ENERGY PARTNERS OPERATING, LLC  
TO CONVERT THE MADISON 15 WELL  
(API # 25-009-21259) IN THE NW¼SE¼ OF  
SECTION 29, T9S-R23E, CARBON COUNTY,  
MONTANA, (NW ELK BASIN FIELD) TO A  
SALTWATER INJECTION WELL IN THE TENSLEEP  
AND MADISON FORMATIONS AT A DEPTH OF  
APPROXIMATELY 6745 FEET. AN AQUIFER  
EXEMPTION IS BEING REQUESTED AS PART OF  
THE APPLICATION, AS WATER IN THE PROPOSED  
INJECTION ZONE CONTAINS LESS THAN  
10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 1-2009

Docket No. 1-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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. 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 the application of Encore Energy Partners Operating, LLC is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 1-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CLINE PRODUCTION COMPANY TO CONVERT  
THE GREBE 2-6 WELL (API # 25-087-05208) IN  
THE NW $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 24, T11N-R32E,  
ROSEBUD COUNTY (SUMATRA FIELD) TO A  
SALTWATER INJECTION WELL IN THE TYLER  
FORMATION AT A DEPTH OF APPROXIMATELY  
4740 FEET.

ORDER NO. 2-2009

Docket No. 2-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of Cline Production Company is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 2-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A THREE FORKS/SANISH FORMATION  
HORIZONTAL TEST WELL IN A 1280-ACRE  
TEMPORARY SPACING UNIT COMPRISED  
OF ALL OF SECTIONS 18 AND 19, T26N-R55E,  
RICHLAND COUNTY, MONTANA, WITH THE  
LATERALS TO BE LOCATED NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES OF  
SAID SPACING UNIT AS AN EXCEPTION  
TO A.R.M. 36.22.703.

ORDER NO. 3-2009

Docket No. 3-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 3-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A THREE FORKS/SANISH FORMATION  
HORIZONTAL TEST WELL IN A 1280-ACRE  
TEMPORARY SPACING UNIT COMPRISED  
OF ALL OF SECTIONS 30 AND 31, T25N-R52E,  
RICHLAND COUNTY, MONTANA, WITH THE  
LATERALS TO BE LOCATED NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES OF  
SAID SPACING UNIT AS AN EXCEPTION TO  
A.R.M. 36.22.703.

ORDER NO. 4-2009

Docket No. 4-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.

2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.

3. The evidence indicates that granting the application in the manner hereinafter set forth 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful well completion.

BOARD ORDER NO. 4-2009

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 14 AND 23, T26N-R54E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 5-2009

Docket No. 5-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 5-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 13 AND 24, T26N-R54E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 6-2009

Docket No. 6-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.

2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.

3. The evidence indicates that granting the application in the manner hereinafter set forth 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 6-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 17 AND 20, T26N-R55E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 7-2009

Docket No. 7-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 7-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 21 AND 28, T26N-R55E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 8-2009

Docket No. 8-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 8-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 30 AND 31, T26N-R54E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 9-2009

Docket No. 9-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 9-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 20 AND 29, T23N-R55E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 10-2009

Docket No. 10-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 10-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION AND/OR A THREE  
FORKS/SANISH FORMATION HORIZONTAL  
TEST WELL IN A 1280-ACRE TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 24 AND 25, T26N-R55E,  
RICHLAND COUNTY, MONTANA, WITH  
THE LATERALS TO BE LOCATED NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 11-2009

Docket No. 11-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.

2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.

3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 11-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC.  
TO CREATE A PERMANENT SPACING UNIT  
COMPRISED OF THE W½ OF SECTION 4 AND  
THE E½ OF SECTION 5, T30N-R24E, BLAINE COUNTY,  
MONTANA, FORT BELKNAP INDIAN RESERVATION,  
FOR EAGLE FORMATION NATURAL GAS PRODUCTION  
FROM THE STEPHENS WHITE BEAR 5-4 WELL.

ORDER NO. 12-2009

Docket No. 14-2009 & 16-2009 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. The order pertaining to federal and Indian lands contained in this application will be issued by the Bureau of Land Management of the United States Department of the Interior.
3. 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 the W½ of Section 4 and the E½ of Section 5, T30N-R24E, Blaine County, Montana, Fort Belknap Indian Reservation, are designated a permanent spacing unit for Eagle Formation natural gas production from the Stephens White Bear 5-4 well.

IT IS FURTHER ORDERED that if the Stephens White Bear 5-4 well is not completed as a commercial producer, applicant shall make application for the Board's April 2, 2009 public hearing to vacate this order.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 12-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO CREATE A PERMANENT  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 31 AND 32, T22N-R59E, RICHLAND  
COUNTY, MONTANA, FOR PRODUCTION OF  
OIL AND ASSOCIATED NATURAL GAS FROM  
THE BAKKEN FORMATION.

ORDER NO. 13-2009

Docket No. 19-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 all of Sections 31 and 32, T22N-R59E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 13-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO AUTHORIZE THE  
STATE #2-36 WELL LOCATED IN THE  
PERMANENT SPACING UNIT COMPRISED  
OF THE W $\frac{1}{2}$  OF SECTION 36, T23N-R59E,  
RICHLAND COUNTY, MONTANA, TO BE  
PRODUCED AS AN INCREASED DENSITY  
WELL IN THE RED RIVER FORMATION  
AS AN EXCEPTION TO BOARD ORDER  
42-77. (MON DAK WEST FIELD)

ORDER NO. 14-2009

Docket No. 20-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the State #2-36 well located in the permanent spacing unit comprised of the W $\frac{1}{2}$  of Section 36, T23N-R59E, Richland County, Montana, is authorized to be produced as an increased density well in the Red River Formation as an exception to Board Order 42-77. (Mon Dak West Field)

BOARD ORDER NO. 14-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL  
A BAKKEN FORMATION HORIZONTAL  
TEST WELL IN AN OVERLAPPING  
TEMPORARY SPACING UNIT CONSISTING  
OF ALL OF SECTIONS 14, 15, 22, AND 23,  
T24N-R54E, RICHLAND COUNTY, MONTANA,  
WITH THE LATERALS TO BE LOCATED IN  
PROXIMITY TO THE SECTION LINES  
BETWEEN THE TWO EXISTING PERMANENT  
SPACING UNITS AND NO CLOSER THAN  
660 FEET TO THE EXTERIOR BOUNDARIES  
OF SAID TEMPORARY SPACING UNIT.

ORDER NO. 15-2009

Docket No. 326-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 15-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO VACATE BOARD  
ORDER 71-2008, TO CREATE AN  
OVERLAPPING TEMPORARY SPACING  
UNIT COMPRISED OF ALL OF SECTIONS  
24 AND 25, T24N-R54E, RICHLAND  
COUNTY, MONTANA, TO DRILL AN  
ADDITIONAL BAKKEN FORMATION  
HORIZONTAL WELL GENERALLY  
ORIENTED IN A NORTH-SOUTH  
AZIMUTH BETWEEN THE EXISTING  
WELLS AT A LOCATION NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES  
OF SAID SPACING UNIT AS AN  
EXCEPTION TO BOARD ORDERS  
248-2003 AND 249-2003 AND  
A.R.M. 36.22.702, AND TO PROVIDE  
THAT THE REQUESTED TEMPORARY  
SPACING UNIT IS LIMITED TO  
PRODUCTION FROM SAID PROPOSED  
HORIZONTAL BAKKEN FORMATION  
WELL.

ORDER NO. 16-2009

Docket No. 359-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 16-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO VACATE BOARD  
ORDERS 73-2008 AND 103-2008, TO  
CREATE AN OVERLAPPING  
TEMPORARY SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 18  
AND 19, T24N-R55E, RICHLAND COUNTY,  
MONTANA, TO DRILL AN ADDITIONAL  
BAKKEN FORMATION HORIZONTAL  
WELL GENERALLY ORIENTED IN A  
NORTH-SOUTH AZIMUTH BETWEEN  
THE EXISTING WELLS AT A LOCATION  
NOT CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID SPACING UNIT  
AS AN EXCEPTION TO BOARD ORDERS  
3-2003 AND 90-2003, AND TO PROVIDE  
THAT THE REQUESTED TEMPORARY  
SPACING UNIT IS LIMITED TO  
PRODUCTION FROM SAID PROPOSED  
HORIZONTAL BAKKEN FORMATION  
WELL.

ORDER NO. 17-2009

Docket No. 360-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 17-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO CREATE AN OVERLAPPING  
TEMPORARY SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 17, 18, 19 AND 20, T24N-R55E,  
RICHLAND COUNTY, MONTANA, TO DRILL AN  
ADDITIONAL BAKKEN FORMATION  
HORIZONTAL WELL GENERALLY ORIENTED  
IN A NORTH-SOUTH AZIMUTH PROXIMATE TO  
THE SECTION LINES BETWEEN THE EXISTING  
PERMANENT SPACING UNITS AT A LOCATION  
NOT CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID OVERLAPPING  
TEMPORARY SPACING UNIT AS AN EXCEPTION  
TO BOARD ORDERS 3-2003, 90-2003 AND 308-2003,  
AND TO PROVIDE THAT THE REQUESTED  
TEMPORARY SPACING UNIT IS LIMITED TO  
PRODUCTION FROM SAID PROPOSED  
HORIZONTAL BAKKEN FORMATION WELL.

ORDER NO. 18-2009

Docket No. 361-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 18-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at  
Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO CREATE AN OVERLAPPING  
TEMPORARY SPACING UNIT COMPRISED OF ALL  
OF SECTIONS 14, 15, 22 AND 23, T24N-R56E,  
RICHLAND COUNTY, MONTANA, TO DRILL AN  
ADDITIONAL BAKKEN FORMATION HORIZONTAL  
WELL GENERALLY ORIENTED IN A  
NORTH-SOUTH AZIMUTH PROXIMATE TO THE  
SECTION LINES BETWEEN THE EXISTING  
PERMANENT SPACING UNITS AT A LOCATION  
NOT CLOSER THAN 660 FEET TO THE  
BOUNDARIES OF SAID OVERLAPPING  
TEMPORARY SPACING UNIT AS AN EXCEPTION  
TO BOARD ORDERS 309-2003 AND 278-2005, AND  
TO PROVIDE THAT THE REQUESTED TEMPORARY  
SPACING UNIT IS LIMITED TO PRODUCTION FROM  
SAID PROPOSED HORIZONTAL BAKKEN  
FORMATION WELL.

ORDER NO. 19-2009

Docket No. 362-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 19-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO VACATE BOARD ORDERS  
83-2008 AND 85-2008, TO CREATE AN  
OVERLAPPING TEMPORARY SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 16 AND 21,  
T24N-R56E, RICHLAND COUNTY, MONTANA, TO  
DRILL AN ADDITIONAL BAKKEN FORMATION  
HORIZONTAL WELL GENERALLY ORIENTED IN  
A NORTH-SOUTH AZIMUTH BETWEEN THE  
EXISTING WELLS AT A LOCATION NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES OF SAID  
SPACING UNIT AS AN EXCEPTION TO BOARD  
ORDERS 40-2003 AND 305-2003, AND TO PROVIDE  
THAT THE REQUESTED TEMPORARY SPACING  
UNIT IS LIMITED TO PRODUCTION FROM SAID  
PROPOSED HORIZONTAL BAKKEN FORMATION  
WELL.

ORDER NO. 20-2009

Docket No. 363-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 20-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO CREATE AN OVERLAPPING  
TEMPORARY SPACING UNIT COMPRISED OF ALL  
OF SECTIONS 13 AND 24, T24N-R56E AND ALL OF  
SECTIONS 18 AND 19, T24N-R57E, RICHLAND  
COUNTY, MONTANA, TO DRILL AN ADDITIONAL  
BAKKEN FORMATION HORIZONTAL WELL  
GENERALLY ORIENTED IN A NORTH-SOUTH  
AZIMUTH PROXIMATE TO THE SECTION LINES  
BETWEEN THE EXISTING PERMANENT SPACING  
UNITS AT A LOCATION NOT CLOSER THAN 660  
FEET TO THE BOUNDARIES OF SAID OVERLAPPING  
TEMPORARY SPACING UNIT AS AN EXCEPTION TO  
BOARD ORDERS 310-2003 AND 200-2004, AND TO  
PROVIDE THAT THE REQUESTED TEMPORARY  
SPACING UNIT IS LIMITED TO PRODUCTION FROM  
SAID PROPOSED HORIZONTAL BAKKEN  
FORMATION WELL.

ORDER NO. 21-2009

Docket No. 364-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 21-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO POOL ALL  
INTERESTS IN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 9 AND 16,  
T23N-R56E, RICHLAND COUNTY, MONTANA,  
ON THE BASIS OF SURFACE ACREAGE FOR  
PRODUCTION FROM THE BAKKEN FORMATION  
FROM THE PREVOST 3-16H WELL AND TO  
AUTHORIZE RECOVERY OF NON-JOINDER  
PENALTIES IN ACCORDANCE WITH SECTION  
82-11-202(2), M.C.A.

ORDER NO. 22-2009

Docket No. 426-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth 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 all interests in the permanent spacing unit comprised of all of Sections 9 and 16, T23N-R56E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation from the Prevost 3-16H well.

IT IS FURTHER ORDERED that recovery of non-joinder penalties in accordance with Section 82-11-202(2), M.C.A. is hereby authorized.

BOARD ORDER NO. 22-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO POOL ALL  
INTERESTS IN THE PERMANENT SPACING UNIT  
COMPRISED OF SECTIONS 19 AND 30,  
T23N-R56E, RICHLAND COUNTY, MONTANA,  
ON THE BASIS OF SURFACE ACREAGE FOR  
PRODUCTION FROM THE BAKKEN FORMATION  
FROM THE RITA 3-19H WELL AND TO  
AUTHORIZE RECOVERY OF NON-JOINDER  
PENALTIES IN ACCORDANCE WITH SECTION  
82-11-202(2), M.C.A.

ORDER NO. 23-2009

Docket No. 427-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth 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 all interests in the permanent spacing unit comprised of Section 19 and 30, T23N-R56E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation from the Rita 3-19H well.

IT IS FURTHER ORDERED that recovery of non-joinder penalties in accordance with Section 82-11-202(2), M.C.A. is hereby authorized.

BOARD ORDER NO. 23-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO DRILL A  
THREE FORKS/SANISH FORMATION  
HORIZONTAL TEST WELL IN A 1293.06 ACRE  
TEMPORARY SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 6 AND 7, T26N-R54E,  
RICHLAND COUNTY, MONTANA, WITH THE  
LATERALS TO BE LOCATED NO CLOSER THAN  
660 FEET TO THE BOUNDARIES OF SAID  
SPACING UNIT AS AN EXCEPTION TO  
A.R.M. 36.22.703.

ORDER NO. 24-2009

Docket No. 428-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Although this application was, as requested, placed on the Default Docket, Continental Resources, Inc. (Continental) gave an overview presentation at the hearing on Dockets 3-2009 through 11-2009 and 428-2008, which are all requesting the same relief. Mr. Gene Carlson of Continental testified they want the ability to drill the well but not the obligation to drill the well if economics or other factors do not warrant drilling.
3. 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 the application of Continental Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within 90 days of successful completion.

BOARD ORDER NO. 24-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary



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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO CONVERT  
THE MARGARET 3-15H WELL (API # 25-083-22605)  
LOCATED IN THE SE¼SW¼ OF SECTION 15,  
T24N-R54E, RICHLAND COUNTY, MONTANA  
(ELM COULEE AREA), TO A CARBON DIOXIDE  
INJECTION WELL IN THE BAKKEN FORMATION  
AT A DEPTH OF APPROXIMATELY 9770 FEET.

ORDER NO. 25-2009

Docket No. 429-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. 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 the application of Continental Resources, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 25-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S OWN MOTION  
TO REQUIRE ATHENA ENERGY LLC AND  
RED MAPLE ENERGY INC. TO APPEAR AND  
SHOW CAUSE, IF ANY THEY HAVE, WHY  
THEIR BONDS SHOULD NOT BE FORFEITED  
OR PENALTIES ASSESSED FOR FAILURE TO  
RESTORE THE DRILLING LOCATION FOR  
THE SCHALLER FARMS 11-30 WELL  
(API 025-041-22940) IN HILL COUNTY,  
MONTANA; FAILURE TO RECLAIM A  
WORKOVER PIT AT THE AAGESON 34-22  
WELL (API 025-041-23012) IN HILL COUNTY,  
MONTANA; FAILURE TO RECLAIM DRILLING  
PITS AND POST WELL IDENTIFICATION ON  
THE LANE 1101-52 SHUT IN GAS WELL  
(API -025-071-22909) IN PHILLIPS COUNTY,  
MONTANA; AND FAILURE TO REPORT  
PRODUCTION ON THE FOLLOWING WELLS  
SINCE APRIL 2008:

PATRICK 21-6 (025-041-22939) – HILL  
BARKER 11-7 (025-041-22999) – HILL  
AAGESON 34-22 (025-041-23012) – HILL  
WANKEN FARMS 14-1 (025-051-21771) – LIBERTY  
C&A FARMS 42-18 (025-051-21718) – LIBERTY  
MINNEHAN 44-33 (025-051-21770) – LIBERTY  
EAGLE CREEK FED 43-15 (025-051-21774) – LIBERTY  
EAGLE CREEK FED 32-15 (025-051-21775) – LIBERTY  
ANDERSON 43-8 (025-051-21784) – LIBERTY  
O'NEILL 24-29 (025-051-21719) – LIBERTY  
OLSEN 12-24 (025-071-22743) – PHILLIPS  
FEDERAL 2210-52 (025-071-22825) – PHILLIPS  
LANE 1101-52 (025-071-22909) - PHILLIPS  
FED 1204-1 (025-105-21074) – VALLEY

ORDER NO. 26-2009

Docket No. 21-2009

Report of the Board

The above entitled cause came on for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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:

BOARD ORDER NO. 26-2009

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 to present evidence, oral and documentary.

2. Mr. Tim German of Red Maple Energy Inc. (Red Maple) appeared in person at the hearing. He stated these matters will be resolved, as an office has been opened back up in Butte and Red Maple has gone out for bids for work on some of these wells. He said the bid review process will be completed by the end of February 2009, and a plan of action for the Board regarding this matter will also be completed by that time.

3. Kerry and Diana Patrick, surface owners on the Patrick 21-6 and Barker 11-7 wells, appeared in person at the hearing. They also submitted a summary letter to the Board of their problems with the locations, copies of correspondence to Athena Energy LLC (Athena) about their concerns, pictures of the locations, and a copy of the response they received from Athena. Mr. German of Red Maple testified he would meet with the Patricks after the hearing to discuss their concerns and to discuss reimbursement of costs they have incurred cleaning up the locations.

4. Attorneys Chris Mangan and Steve Jennings were present at the hearing on behalf of their client, Knox LLC, the majority working interest owner in Athena's wells. Knox LLC has a joint operating agreement with Athena to operate the wells.

5. Pascual Laborda of the Bureau of Land Management testified there were four federally bonded wells on the list of wells in the caption: the Eagle Creek 43-15, the Eagle Creek 32-15, the Fed 2210-52 and the Fed 1204-1. Mr. Halvorson of the Board's staff will work with Mr. Laborda to properly identify which of Athena/Red Maple's wells are bonded by the Board.

6. The evidence indicates that taking the following action 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 Athena Energy LLC/Red Maple Energy, Inc. be fined \$10 per month per delinquent lease for production reports that have not been submitted since April 2008.

IT IS FURTHER ORDERED that Athena Energy LLC/Red Maple Energy, Inc. submit a plan of action for its wells to the Board no later than 30 days after today's hearing (February 28, 2009).

BOARD ORDER NO. 26-2009

IT IS FURTHER ORDERED that this show-cause hearing is continued to the Board's April 2, 2009 public hearing and Athena Energy LLC /Red Maple Energy Inc. must attend.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S OWN MOTION  
TO REQUIRE TOI OPERATING, BLACKHAWK  
RESOURCES LLC AND PAR INVESTMENTS,  
LLC TO APPEAR AND SHOW CAUSE, IF ANY  
THEY HAVE, WHY THEIR BONDS SHOULD  
NOT BE FORFEITED OR PENALTIES ASSESSED  
FOR FAILURE TO COMPLETE THE PLUGGING  
PROGRAM FOR THE FOLLOWING WELLS AS  
SET FORTH IN TOI OPERATING'S MEMO TO  
THE BOARD DATED OCTOBER 26, 2005:  
BN 11-11 (025-025-21273) - FALLON  
BN 12-11 (025-025-21021) - FALLON  
DORE #1 (025-083-21281) - RICHLAND  
WATTS 34-15 (025-083-21535) - RICHLAND  
LABONTE 32-33 (025-083-21748) - RICHLAND  
MOERMAN 14-30 (025-109-21053) - WIBAUX

ORDER NO. 27-2009

Docket No. 22-2009

Report of the Board

The above entitled cause came on for hearing on the 29th day of January, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings 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 to present evidence, oral and documentary.
2. Mr. Keith Carver of TOI Operating (TOI) and Mr. Mike Gleason of Par Investments, LLC (Par) both appeared in person at the hearing. Mr. Carver testified he plans to plug the LaBonte 32-33 well by September 2009 and is in negotiations regarding the Dore #1 well. No one from Blackhawk Resources LLC (Blackhawk) appeared.
3. Mr. Halvorson of the Board's staff said Par's \$50,000 multi-well was cancelled. Mr. Gleason testified he has a bond and pays for it every month and would immediately find out what the problem was. He said he would take care of the bonding matter and also submit a change of operator to transfer some wells currently on the TOI bond to his bond.
4. Vice-Chairman Smith said he does not want TOI's plugging plan to extend past 2009. He wants the wells plugged and abandoned or put back into production sooner rather than later. He said if the wells are not going to be dealt with in 2009 they need to be plugged.

BOARD ORDER NO. 27-2009

5. The evidence indicates that taking the following action 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 TOI Operating shall submit a revised plugging plan for its wells to the Board no later than 30 days after today's hearing (February 28, 2009), with due consideration given to Vice-Chairman Smith's comments in Findings of Fact #4 above. Staff and Board members will review the revised plugging plan and advise TOI of the adequacy of the plan. If the revised plugging plan is determined to be adequate, this show-cause action will be dismissed. If the revised plugging plan is determined to be inadequate, this show-cause hearing is continued to the Board's April 2, 2009 public hearing.

IT IS FURTHER ORDERED that the Par Investments, LLC/Blackhawk Resources LLC bond issue shall be resolved by the next hearing and that proper paperwork is timely submitted to the Board to transfer wells to the proper bond.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of January, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Joan Duffield, Board Member

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Ronald S. Efta, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

I dissent. I do not believe the action taken today adequately addresses the ongoing concerns surrounding this matter.

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Jack King, Board Member

