

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO CREATE AN OVERLAPPING TEMPORARY
SPACING UNIT COMPRISED OF ALL OF
SECTIONS 7 AND 8, T24N-R55E, RICHLAND
COUNTY, MONTANA, TO DRILL A
HORIZONTAL BAKKEN FORMATION WELL
GENERALLY ORIENTED IN A NORTH-SOUTH
AZIMUTH PROXIMATE TO THE SECTION
LINE BETWEEN THE EXISTING PERMANENT
SPACING UNITS AND NOT CLOSER THAN 660
FEET TO THE BOUNDARIES OF THE
OVERLAPPING TEMPORARY SPACING UNIT,
AS AN EXCEPTION TO ORDERS 178-2002 AND
16-2005, AND TO PROVIDE THAT SAID
TEMPORARY SPACING UNIT BE LIMITED TO
PRODUCTION FROM THE PROPOSED
HORIZONTAL WELL.

ORDER 118-2009

Docket No. 123-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Sections 7 and 8, T24N-R55E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units and not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 178-2002 and 16-2005.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 118-2009

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 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO CREATE AN OVERLAPPING TEMPORARY
SPACING UNIT COMPRISED OF ALL OF
SECTIONS 3, 4, 9 AND 10, T24N-R55E,
RICHLAND COUNTY, MONTANA, TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION 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 THE OVERLAPPING
TEMPORARY SPACING UNIT AS AN
EXCEPTION TO ORDERS 106-2003 AND 54-2004,
AND TO PROVIDE THAT THE TEMPORARY
SPACING UNIT SHALL BE LIMITED TO
PRODUCTION FROM THE PROPOSED
HORIZONTAL WELL.

ORDER 119-2009

Docket No. 124-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Sections 3, 4, 9, and 10, T24N-R55E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 106-2003 and 54-2004.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 119-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO CREATE AN OVERLAPPING TEMPORARY
SPACING UNIT COMPRISED OF ALL OF
SECTIONS 22, 23, 26 AND 27, T24N-R55E,
RICHLAND COUNTY, MONTANA, TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION 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 THE OVERLAPPING
TEMPORARY SPACING UNIT AS AN
EXCEPTION TO ORDERS 53-2005 AND 54-2005,
AND TO PROVIDE THAT THE TEMPORARY
SPACING UNIT SHALL BE LIMITED TO
PRODUCTION FROM THE PROPOSED
HORIZONTAL WELL.

ORDER 120-2009

Docket No. 125-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 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 of Sections 22, 23, 26, and 27, T24N-R55E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 53-2005 and 54-2005.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 120-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ENERPLUS RESOURCES (USA) CORPORATION
TO CREATE AN OVERLAPPING TEMPORARY
SPACING UNIT COMPRISED OF ALL OF
SECTIONS 23, 24, 25 AND 26, T24N-R57E,
RICHLAND COUNTY, MONTANA, TO DRILL
AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION 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 THE OVERLAPPING
TEMPORARY SPACING UNIT AS AN
EXCEPTION TO ORDERS 220-2004 AND 221-2004,
AND TO PROVIDE THAT THE TEMPORARY
SPACING UNIT SHALL BE LIMITED TO
PRODUCTION FROM THE PROPOSED
HORIZONTAL WELL.

ORDER 121-2009

Docket No. 126-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Sections 23, 24, 25, and 26, T24N-R57E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a north-south azimuth proximate to the section line between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 220-2004 and 221-2004.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 121-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF 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 31, T25N-R54E,
RICHLAND COUNTY, MONTANA, ANYWHERE
WITHIN SAID PERMANENT SPACING UNIT
BUT NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER 122-2009

Docket No. 127-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 Enerplus Resources (USA) Corporation is authorized to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Section 31, T25N-R54E, Richland County, Montana, to be located anywhere within said permanent spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 122-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY TO CREATE
A PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 25, T27N-R53E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION THROUGH THE SCHMITZ
#1-25H WELLBORE.

ORDER 123-2009

Docket No. 128-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Section 25, T27N-R53E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation through the Schmitz #1-25H wellbore.

BOARD ORDER NO. 123-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY TO CREATE
A PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTIONS 16 AND 21, T27N-R53E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION THROUGH THE
RALSTON #1-21H WELLBORE.

ORDER 124-2009

Docket No. 129-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Sections 16 and 21, T27N-R53E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation through the Ralston #1-21H wellbore.

BOARD ORDER NO. 124-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
EOG RESOURCES, INC. TO CREATE AN OVERLAPPING
TEMPORARY SPACING UNIT COMPRISED OF ALL
OF SECTION 6, T25N-R55E AND ALL OF SECTION 1,
T25N-R54E, RICHLAND COUNTY, MONTANA, TO
DRILL AN ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL GENERALLY ORIENTED IN A
NORTHWEST-SOUTHEAST AZIMUTH PROXIMATE
TO THE COMMON BOUNDARY BETWEEN THE
EXISTING PERMANENT SPACING UNITS AT A
LOCATION NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES OF THE OVERLAPPING TEMPORARY
SPACING UNIT AS AN EXCEPTION TO ORDERS
131-2005 AND 359-2005, AND TO PROVIDE THAT
THE TEMPORARY SPACING UNIT SHALL BE
LIMITED TO PRODUCTION FROM THE PROPOSED
HORIZONTAL WELL.

ORDER 125-2009

Docket No. 131-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Section 6, T25N-R55E and all of Section 1, T25N-R54E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a northwest-southeast azimuth proximate to the common boundary between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 131-2005 and 359-2005.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 125-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
EOG RESOURCES, INC. TO CREATE AN OVERLAPPING
TEMPORARY SPACING UNIT COMPRISED OF ALL OF
SECTIONS 32 AND 33, T26N-R54E, RICHLAND COUNTY,
MONTANA, TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL GENERALLY ORIENTED
IN A NORTHWEST-SOUTHEAST AZIMUTH PROXIMATE
TO THE COMMON BOUNDARY BETWEEN THE
EXISTING PERMANENT SPACING UNITS AT A
LOCATION NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES OF THE OVERLAPPING TEMPORARY
SPACING UNIT AS AN EXCEPTION TO ORDERS 360-2005
AND 306-2006, AND TO PROVIDE THAT THE TEMPORARY
SPACING UNIT SHALL BE LIMITED TO PRODUCTION
FROM THE PROPOSED HORIZONTAL WELL

ORDER 126-2009

Docket No. 132-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 all of Sections 32 and 33, T26N-R54E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill an additional horizontal Bakken Formation well generally oriented in a northwest-southeast azimuth proximate to the common boundary between the existing permanent spacing units at a location not closer than 660 feet to the boundaries of the overlapping temporary spacing unit, as an exception to Orders 360-2005 and 306-2006.

IT IS FURTHER ORDERED that said temporary spacing unit is limited to production from the proposed horizontal well.

BOARD ORDER NO. 126-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
EOG RESOURCES, INC. TO DRILL AN
ADDITIONAL HORIZONTAL BAKKEN
FORMATION WELL IN THE PERMANENT
SPACING UNIT COMPRISED OF ALL
OF SECTION 18, T25N-R53E, RICHLAND
COUNTY, MONTANA, AT A LOCATION
NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES OF SAID PERMANENT
SPACING UNIT.

ORDER 127-2009

Docket No. 133-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 applicant is authorized to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of all of Section 18, T25N-R53E, Richland County, Montana, at a location not closer than 660 feet to the boundaries of said permanent spacing unit.

BOARD ORDER NO. 127-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ARMSTRONG OPERATING INC. TO CREATE A
TEMPORARY SPACING UNIT FOR THE
MISSION CANYON FORMATION COMPRISED
OF THE W $\frac{1}{2}$ NW $\frac{1}{4}$ OF SECTION 3 AND THE
E $\frac{1}{2}$ NE $\frac{1}{4}$ OF SECTION 4, T31N-R51E, ROOSEVELT
COUNTY, MONTANA, AND TO DRILL A WELL
TO TEST THE MISSION CANYON FORMATION
AT A LOCATION 1500' FNL AND 350' FEL OF
SAID SECTION 4 AS THE ONLY AUTHORIZED
WELL FOR SAID SPACING UNIT AND AS AN
EXCEPTION TO A.R.M. 36.22.702 (3).

ORDER 128-2009

Docket No. 135-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 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 W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 3 and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 4, T31N-R51E, Roosevelt County, Montana, is designated a temporary spacing unit for the Mission Canyon Formation as an exception to A.R.M. 36.22.702 (3).

IT IS FURTHER ORDERED that applicant is authorized to drill a well to test the Mission Canyon Formation at a location 1500' FNL and 350' FEL of said Section 4, as the only authorized well for said spacing unit.

BOARD ORDER NO. 128-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
STEPHENS ENERGY COMPANY LLC TO VACATE
THE FIELD RULES FOR THE RESERVE FIELD AS
TO THE NW¼ OF SECTION 29, T33N-R56E,
SHERIDAN COUNTY, MONTANA, AND TO
ESTABLISH A 320-ACRE TEMPORARY SPACING
UNIT COMPRISED OF THE NW¼ OF SECTION 29
AND THE SW¼ OF SECTION 20, T33N-R56E,
SHERIDAN COUNTY, MONTANA, TO DRILL A
VERTICAL RED RIVER FORMATION WELL TO
BE LOCATED NO CLOSER THAN 660 FEET TO
THE EXTERIOR BOUNDARIES OF SAID
TEMPORARY SPACING UNIT.

ORDER 129-2009

Docket No. 136-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 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 field rules for the Reserve Field as to the NW¼ of Section 29, T33N-R56E, Sheridan County, Montana, are hereby vacated.

IT IS FURTHER ORDERED that a 320-acre temporary spacing unit comprised of the NW¼ of Section 29 and the SW¼ of Section 20, T33N-R56E, Sheridan County, Montana, is established to drill a vertical Red River Formation well to be located no closer than 660 feet to the exterior boundaries of said temporary spacing unit.

BOARD ORDER NO. 129-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
ECA HOLDINGS, L.P. TO CREATE A TEMPORARY
SPACING UNIT COMPRISED OF THE SW¹/₄ AND
SW¹/₄SE¹/₄ OF SECTION 13, ALL OF SECTION 14,
THE N¹/₂N¹/₂ OF SECTION 23, AND THE N¹/₂NW¹/₄
AND THE NW¹/₄NE¹/₄ OF SECTION 24, T6S-R17E,
CARBON AND STILLWATER COUNTIES, MONTANA,
TO DRILL MULTIPLE WELLS TO THE GREYBULL
FORMATION AT LOCATIONS ANYWHERE WITHIN
THE PROPOSED TEMPORARY SPACING UNIT BUT
NOT CLOSER THAN 330 FEET TO THE BOUNDARIES
THEREOF. APPLICANT FURTHER REQUESTS THAN
AN APPLICATION FOR PERMANENT SPACING NOT
BE REQUIRED UNTIL TWO YEARS AFTER THE
COMPLETION OF THE FIRST WELL DRILLED
PURSUANT TO THIS APPLICATION.

ORDER 130-2009

Docket No. 139-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 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 SW¹/₄ and SW¹/₄SE¹/₄ of Section 13, all of Section 14, the N¹/₂N¹/₂ of Section 23, and the N¹/₂NW¹/₄ and the NW¹/₄NE¹/₄ of Section 24, T6S-R17E, Carbon and Stillwater Counties, Montana, is designated a temporary spacing unit for the purpose of a pilot project to drill multiple wells to the Greybull Formation at locations anywhere within the proposed temporary spacing unit but not closer than 330 feet to the boundaries thereof.

IT IS FURTHER ORDERED that an application for permanent spacing is not required until two years after the completion of the first well drilled pursuant to this application, but applicant shall provide a written progress report to staff every six months after completion of the first well drilled.

BOARD ORDER NO. 130-2009

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.

IT IS FURTHER ORDERED that in the event technical and production data from the wells indicate a permanent spacing unit should be designated that is different from the temporary spacing unit covered by this communitization agreement, all parties to the present communitization agreement agree to make the present communitization agreement null and void so that a new communitization agreement may be signed that encompasses the area of the designated permanent spacing unit. The new communitization agreement shall be effective as of the date of first production from the initial well (ECA Federal #1-H) in the communitized area.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF
PANTHER ENERGY COMPANY, LLC TO CREATE
A PERMANENT SPACING UNIT COMPRISED OF
ALL OF SECTION 31, T25N-R59E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION OF
OIL AND ASSOCIATED NATURAL GAS FROM
THE BAKKEN FORMATION.

ORDER 131-2009

Docket No. 100-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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 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 of Section 31, T25N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 131-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

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 THE TOI OPERATING
BOND SHOULD NOT BE FORFEITED AS PER BOARD ORDER
50-2009 ISSUED AT THE APRIL 2, 2009 PUBLIC HEARING.

ORDER 132-2009

Docket No. 22-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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. A letter from J. Michael Gleason of PAR Investments, LLC (PAR) was read into the record by the Chairman. Mr. Gleason was unable to attend the hearing but made application to transfer five wells off the TOI Operating bond and onto the Black Hawk Resources bond.
3. A letter from Clarence Keith Carver of TOI Operating (TOI) regarding progress on non-producing wells was distributed to all Board members. Mr. Carver was also present at the hearing.
4. Mr. Matt Campbell of Custom Carbon Processors and Mr. Lance Benson the surface owner for TOI's non-producing BN wells were also present to discuss tentative plans for turning the BN wells into disposal wells.
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 the \$50,000 blanket bond of TOI Operating is hereby forfeited.

BOARD ORDER NO. 132-2009

IT IS FURTHER ORDERED that the pending transfer of five wells from the TOI Operating bond to the Black Hawk Resources bond be denied.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

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 MOUNTAIN PACIFIC GENERAL INC. TO
APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY
ITS BOND SHOULD NOT BE FORFEITED OR
PENALTIES ASSESSED FOR FAILURE TO ABANDON
THE FOSSOM #10-8 WELL (API # 25-101-21912)
LOCATED IN SECTION 8, T35N-R1E, TOOLE COUNTY,
MONTANA, AND FOR FAILURE TO PROVIDE A
PLUGGING PLAN FOR THE COPENHAVER #1 WELL
(API # 25-073-21195) LOCATED IN SECTION 32,
T27N-R2E, PONDERA COUNTY, MONTANA.

ORDER 133-2009

Docket No. 52-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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. Mr. Jeff Lyon of Mountain Pacific General Inc. (Mountain Pacific) was present at the hearing.
3. Board Order 71-2009 required Mountain Pacific to plug the Copenhaver #1 well by August 20, 2009. That was not done.
4. Board Order 116-2009 fined Mountain Pacific General \$1000 for failure to comply with Board Order 71-2009 and directed Mountain Pacific to appear at the October 15, 2009 public hearing where the Board would consider doubling its bond.
5. The Copenhaver #1 well has subsequently been plugged and abandoned, but paperwork is still missing.
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 Mountain Pacific General Inc. has 30 days from the date of today's hearing to pay the \$1000 fine issued in Board Order 116-2009.

BOARD ORDER NO. 133-2009

IT IS FURTHER ORDERED by the Board of Oil and Gas Conservation that Mountain Pacific General Inc. has until the June 2010 Board hearing to plug, abandon and file all paperwork on the Fossum #10-8 well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

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
NATIVE AMERICAN ENERGY GROUP, INC. TO
APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY
ITS PENDING CHANGE OF OPERATOR REQUEST
SHOULD NOT BE APPROVED OR WHY OTHER
PENALTIES SHOULD NOT BE ASSESSED FOR ITS
FAILURE TO CLEAN UP WELLSITES AT THE
FOLLOWING WELLS BEING REQUESTED FOR
TAKEOVER: THE S WRIGHT 5-35 WELL
(API # 25-055-05204) IN PRAIRIE ELK FIELD IN
MCCONE COUNTY AND THE SANDVICK 1-11 WELL
(API # 25-105-21278) IN NORTH LUSTRE FIELD IN
VALLEY COUNTY, MONTANA.

ORDER 134-2009

Docket No. 97-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 15th day of October, 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. Member Don Bradshaw recused himself and took no further part in the proceedings on this matter. 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. Mr. Joe Darrigo and Mr. Raj Nanvaan of Native American Energy Group, Inc. were present to discuss funding issues which have prevented them from completing the captioned clean-up.
3. 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 Native American Energy Group, Inc. has until the Board's June 2010 public hearing to complete the wellsite cleanup at the S. Wright 5-35 well in McCone County, Montana and the Sandvick 1-11 well in Valley County, Montana.

BOARD ORDER NO. 134-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

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
DELPHI INTERNATIONAL INC. TO APPEAR AND
SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL
PENALTIES SHOULD NOT BE IMPOSED FOR ITS
FAILURE TO PAY THE PENALTY ASSESSED FOR
DELINQUENT REPORTS PURSUANT TO BOARD
ORDER 228-2007.

ORDER 135-2009

Docket No. 142-2009

Report of the Board

The above entitled cause was scheduled for hearing on the 15th day of October, 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. No one appeared at the hearing on behalf of Delphi International Inc. (Delphi).
3. In June 2009, Delphi was fined \$300 for delinquent production reports at the rate of \$100 per lease per month as authorized by Board Order 228-2007. That fine has not been paid.
4. 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 Delphi International Inc. is hereby fined \$1700 for failure to appear. This amount is in addition to the \$300 fine noted in Findings of Fact #3 above.

IT IS FURTHER ORDERED that Delphi International Inc.'s production is hereby shut-in until the total \$2000 fine is paid and all production reports are current.

IT IS FURTHER ORDERED that staff is authorized to lift this shut-in order if Delphi International Inc. pays the \$2000 fine and has all production reports current by 5:00 pm on Monday, November 16, 2009. If the fine is not paid by that time, a representative from Delphi International Inc. must appear at a BOGC hearing to request it be lifted.

BOARD ORDER NO. 135-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of October, 2009.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Don Bradshaw, Board Member

Ronald S. Efta, Board Member

Jay Gunderson, Board Member

Jack King, Board Member

Bret Smelser, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary