

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/13/2009 Through 12/8/2009

Approved

Berexco LLC Wichita KS	618 M1	Approved	10/23/2009
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	FIDELITY & DEPOSIT CO. OF MD	
Fort Worth Operating Company, LLC Fort Worth TX	619 G5	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G1	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G10	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G2	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G3	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G4	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G6	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G7	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Fort Worth Operating Company, LLC Fort Worth TX	619 G8	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/13/2009 Through 12/8/2009

Approved

Fort Worth Operating Company, LLC Fort Worth TX	619 G9	Approved	11/9/2009
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	
Longshot Oil, LLC Spokane WA	590 G3	Approved	11/2/2009
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Yellowstone Bank	
Longshot Oil, LLC Spokane WA	590 G4	Approved	11/2/2009
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Yellowstone Bank	
Rimrock Colony Sunburst MT	131 L3	Approved	10/21/2009
		Amount:	\$10,000.00
		Purpose:	Limited Bond
Certificate of Deposit	\$10,000.00	Wells Fargo Bank Montana	
Uber Operating, LLC Houston TX	621 G1	Approved	11/19/2009
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Stockman Bank, Terry <i>Duprow 4/11</i>	

Released

Ballard Petroleum Holdings LLC Billings MT	13 M1	Released	12/4/2009
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	U.S. Specialty Insurance Co.	
Surety Bond	\$25,000.00	UNDERWRITERS INDEMNITY COMPANY	
Surety Bond	\$25,000.00	UNDERWRITERS INDEMNITY COMPANY	
Columbus Energy Corp. Denver CO	1540 U1	Released	10/13/2009
		Amount:	\$16,000.00
		Purpose:	UIC Limited Bond
Surety Bond	\$16,000.00	FIDELITY & DEPOSIT CO. OF MD	
Columbus Energy Corp. Denver CO	1540 M1	Released	10/13/2009
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	FIDELITY & DEPOSIT CO. OF MD	
Lorne Resources, Inc.	4345 B1	Released	11/30/2009
		Amount:	\$10,000.00
		Purpose:	Blanket Bond
Certificate of Deposit	\$10,000.00	1ST NATIONAL BANK OF CUT BANK	
Orion Energy Partners LP Denver CO	449 M1	Released	12/3/2009
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	FIDELITY & DEPOSIT CO. OF MD	

Montana Board of Oil and Gas Conservation
Summary of Bond Activity

10/13/2009 Through 12/8/2009

Released

Phoenix Exploration Group, Inc. Butte MT	596 G2	Released Amount: Purpose:	11/13/2009 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00	First National Bank of Montana, Butte	
Phoenix Exploration Group, Inc. Butte MT	596 G1	Released Amount: Purpose:	11/13/2009 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00	First National Bank of Montana, Butte	
Solomon Exploration Inc. Havre MT	230 G1	Released Amount: Purpose:	10/13/2009 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00	Independence Bank	

FINANCIAL STATEMENT
As of 12/01/09
Percent of Year Elapsed: 42

OIL AND GAS DIVISION
FY10 Budget vs. Expenditures

	2010 Regulatory Budget			2010 UIC Budget			2010 Educ & Outreach Budget*			2010 NAPE Budget*			2010 Restore Env Coord			2010 Pay Plan \$450 OTO			2010 Equipment OTO			TOTAL BUDGET	TOTAL EXPENDS	Expends % of Budget	
	Budget	Expends	% of Budget	Budget	Expends	% of Budget	Budget	Expends	% of Budget	Budget	Expends	% of Budget	Budget	Expends	% of Budget	Budget	Expends	% of Budget	Budget	Expends	% of Budget				
FTE	17.0			3.5																		20.5			
Obj.																									
1000 General PS	(163,258)			66,761																		(14,521)			
1100 Salaries	814,641	217,702	0.27	184,551	69,707	0.38				74,654					7,322							999,192	287,409	0.29	
1300 Other Comp		2,635	0.00		155	-																-	2,790		
1400 Benefits/Ins	275,190	73,110	0.27	57,653	21,120	0.37																332,843	94,230	0.28	
1600 Vacancy Svgs	(43,593)	-	0.00	(9,688)	-	-																(53,281)	-	0.00	
2000 General Operating	3,000						59,500															62,500			
2100 Contracted Svcs	440,932	100,794	0.23	55,367	5,609	0.10			7,500													503,799	106,402	0.21	
2200 Supplies	61,676	18,595	0.30	4,794	3,568	0.74																66,470	22,163	0.33	
2300 Communications	35,434	14,776	0.42	4,989	3,230	0.65																40,423	18,006	0.45	
2400 Travel	39,372	14,095	0.36	533	2,076	3.90																39,905	16,171	0.41	
2500 Rent	20,558	8,520	0.41	1,457	1,075	0.74																22,015	9,595	0.44	
2600 Utilities	12,882	3,765	0.30	1,843	764	0.41																14,525	4,529	0.31	
2700 Repair/Maint	18,615	2,571	0.14	3,126	565	0.18																21,741	3,136	0.14	
2800 Other Expenses	39,849	3,352	0.08	2,703	4,677	1.73																42,552	8,029	0.19	
3000 General Equip	189,558	-	0.00	12,500	-	-																50,000	252,058	-	0.00
3100 Equipment	47,672																						47,672	-	
6000 Grants							3,000																3,000	-	
Total	1,792,328	459,915	0.26	386,589	112,545	0.29	62,500	-	-	7,500	-	-	74,654	-	-	7,322	-	-	50,000	-	-	2,380,893	572,461	0.24	
FUNDING																									
State Special	1,792,328	459,915		251,647	87,069		62,500	-	-	7,500	-	-	74,654	-	-	7,322	-	-	50,000	-	-	2,245,951	546,985		
Federal				134,942	25,476																	134,942	25,476		
Total Funds	1,792,328	459,915		386,589	112,545		62,500	-	-	7,500	-	-	74,654	-	-	7,322	-	-	65,000	-	-	2,380,893	572,461		

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT 12/01/09			
	FY10	Total FY09	Percentage FY09:FY08
Oil Production Tax	216,103	2,587,811	0.08
Gas Production Tax	68,243	632,652	0.11
Penalty & Interest			
Drilling Permit Fees	15,125	42,925	0.35
UIC Permit Fees	-	208,400	0.00
Enhanced Recovery Filing Fee			
Interest on Investments	22,335	249,164	0.09
Insurance Proceeds	450	-	
Copies of Documents	4,623	19,940	0.23
Miscellaneous Reimbursemts	-	10,000	0.00
TOTALS	\$ 326,879	\$3,750,893	0.09

REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 12/01/09	
	FY10
Transfer in from Orphan Share	0
RIT Interest	0
Bond Forfeitures	0
Interest on Investments	<u>379</u>
TOTAL	379

BOND FORFEITURES
Go into Damage Mitigation Account

REVENUE INTO GENERAL FUND FROM FINES as of 12/01/09	
	FY 10
Summer Night	20
Joseph Darrigo	60
Oil Field Services	20
Rincon Oil and Gas Ltd	10
United States Energy	10
Marian Irgens	40
Bill Brandon	20
Keesun Corporation	260
Constitution Petroleum	70
JHR Special	20
Merrill Hawley	1000
Yellow Queen Uranium Co	10
Robert Zimmerman	20
Delphi International Inc.	2000
Mountain Pacific General Inc.	1000
Carrel Oil	220
Sonkar	20
Capitan Operating	10
Provident Energy	40
TOTAL	4,850

INVESTMENT ACCOUNT BALANCES as of 12/01/09

Damage Mitigation	280,837
Regulatory	15,983,529

GRANT BALANCES - 12/01/09

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>
2007 Southern	322,228	298,330	23,898
2007 Tank Battery	304,847	0	304,847
2007 Northern	323,572	280,297	43,275
2005 Northern	<u>300,000</u>	<u>209,351</u>	<u>90,650</u>
TOTALS	\$1,250,647	\$787,977	\$462,670

CONTRACT BALANCES - 12/01/09

HydroSolutions - Tongue River Info Project	918,486	630,595	287,891
COR Enterprises - Janitorial	17,700	2,266	15,434
Agency Legal Services - Legal*	50,000	16,654	33,346
Liquid Gold Well Service, Inc. - 07 Northern	373,572	322,374	51,198
Liquid Gold Well Service, Inc. - 05 Northern Part 2	55,000	13,420	41,580
C-Brewer - 07 Southern Tank Battery (og-cb-134)	215,000	0	215,000
C-Brewer - 07 Southern (og-cb-129)	<u>354,450</u>	<u>347,479</u>	<u>6,971</u>
TOTALS	1,984,208	1,332,788	651,420

Agency Legal Services Expenditures in FY10

Case	Amt Spent	Last Svc Date
BOGC Duties	14,250	10/09
Tongue & Ylwstone Irri	2,404	10/09
Total	16,654	

MONTANA BOARD OF OIL AND GAS CONSERVATION

PUBLIC HEARING SCHEDULE FOR 2010

<u>HEARING DATE</u>	<u>HEARING PLACE</u>	<u>APPLICATION DEADLINE</u>
Thursday February 25, 2010	Billings Petroleum Club Crowne Plaza Billings Billings, Montana	Thursday January 28, 2010
Thursday April 29, 2010	Montana Tech Natural Resources Building Butte, Montana	Thursday April 1, 2010
Thursday June 17, 2010	Sidney Elks Club Sidney, Montana	Thursday May 20, 2010
Thursday August 12, 2010	Billings Petroleum Club Crowne Plaza Billings Billings, Montana	Thursday July 15, 2010
Thursday October 7, 2010	Billings Petroleum Club Crowne Plaza Billings Billings, Montana	Thursday September 9, 2010
Thursday December 2, 2010	Billings Petroleum Club Crowne Plaza Billings Billings, Montana	Thursday October 28, 2010

Applications for public hearing may be filed at the address listed below, and are to be received by NOON on the respective application deadline. Although we will accept fax transmittals, your cooperation in providing the original application and four copies is appreciated. For more information or to request accommodation for a disability before a scheduled hearing, please contact Tom Richmond at (406) 656-0040 or Terri Perrigo at (406) 444-6970.

Send applications to:

Tom Richmond, Administrator
Board of Oil and Gas Conservation
2535 St. Johns Avenue
Billings, MT 59102
FAX: (406) 655-6015

OR

Terri Perrigo, Executive Secretary
Board of Oil and Gas Conservation
P.O. Box 201601
Helena, MT 59620-1601
FAX: (406) 444-2453

EXHIBIT 4

143-2009	Somont Oil Company, Inc.	Authorization to drill 8 wells per half section (4 per quarter), Sunburst and Swift formations, 37N-3W-31: S/2, 36N-3W-5: all, 6: all, 7: all, 8: all, 17: W/2, 18: all, 36N-4W-12: all, 13: all, 14: all, 22: all, 23: all, 24: all, 25: W/2. Authorization to drill 4 wells per quarter section, Sunburst and Swift formation, 36N-4W-15: all, 26: all. Default request. Will hear?	
144-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 23N-57E-2: all and 3: all, 660' setback. [Includes one section of a two-section spacing unit comprised of Sections 2 and 11. (see 146-2009)] Default request - will discuss.	
145-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 23N-57E-9: all and 10: all, 660' setback. Default request.	Default
146-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 23N-57E-10: all and 11: all, 660' setback. [Includes one section of a two-section spacing unit comprised of Sections 2 and 11. (See 144-2009.)] Default request - will discuss.	
147-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 24N-57E-29: all and 30: all, 660' setback. Default request.	Default
148-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 24N-57E-34: all and 35: all, 660' setback. Default request.	Default
149-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 24N-54E-4: all, 5: all, 8: all and 9: all, 660' setback. Default request.	Default
150-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 25N-54E-31: all and 32: all, 660' setback. Default request.	Default
151-2009	Enerplus Resources USA Corporation	Overlapping temporary spacing unit, Bakken Formation, 24N-55E-13: all and 14: all, 660' setback. Default request.	Default
152-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-58E-1: all and 12: all, 660' setback. Default requested. [Permanently spaced by Order 330-2006.]	Default
* 153-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-58E-3: all and 4: all, 660' setback. Default requested. [Permanently spaced by Order 77-2005.]	Default
154-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-59E-9: all and 16: all, 660' setback. Default requested. [Permanently spaced by Order 262-2006.]	Default

155-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-59E-10: all and 11: all, 660' setback. Default requested. [Permanently spaced by Order 295-2008.]	Default
156-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-59E-12: S/2 and 13: all, 660' setback. Default requested. [Permanently spaced by Order 485-2005.]	Default
157-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-59E-15: all and 22: all, 660' setback. Default requested. [Permanently spaced by Order 92-2006.]	Default
158-2009	Devon Energy Production Co., LP	Exception to statewide to drill additional Eagle Formation well in the spacing unit comprised of 26N-17E-4: all. Well to be located 2266' FNL/ 725' FEL (Beumee 04-08-26-17). Default request. {Exhibits do not identify why this specific location is necessary.}	
159-2009	Devon Energy Production Co., LP	Exception to field rules to drill additional Eagle Formation well in the spacing unit comprised of 32N-15E-26: all. Well to be located 1105' FSL/ 504' FWL (Erhard 26-13-32-15). Default request. {Crowds Bullhook Unit; may have fault separation.}	
160-2009	Armstrong Operating, Inc.	Temporary spacing unit, surface to the Duperow, 32N-48E-25: SW/4SW/4, 26: SE/4SE/4, 35: NE/4NE/4 and 36: NW/4 NW/4. One well to be located in Sec. 35: 150' FNL/ 500' FEL. Default request. [50% tribal and allotted; location on allotted - BLM indicates that application will be heard.] [Letter of support, Fort Peck Energy Company.]	
161-2009	Shakespeare Oil Co Inc	Temporary spacing unit, Red River Formation, 36N-54E-10: SE/4 NE/4, NE/4 SE/4, 11: SW/4 NW/4 and NW/4 SW/4, 660' setback. [Described lands are a permanent spacing unit designated under Order 12-1974.]	
162-2009	Shakespeare Oil Co Inc	Temporary spacing unit, Red River Formation, 36N-55E-19: W/2, 660' setback.	
163-2009	Continental Resources Inc	Exception to drill additional [third] Bakken Formation well in the permanent spacing unit comprised of 24N-52E-1: all and 12: all, 660' setback. Default request.	Default
164-2009	Continental Resources Inc	Overlapping temporary spacing unit, Bakken Formation, 25N-55E-29: all, 30: all, 31: all and 32: all, 660' setback. Default request.	
165-2009	NFR Bear Paw Basin, LLC	Vacate temporary spacing unit created by Order 299-2007, 35N-17E-29: all. Default request.	Default
46-2009	NFR Bear Paw Basin, LLC	Amend Order 276-2006, create two 320 acre permanent spacing units allowing two wells/formation/spacing unit, 37N-15E-8: N/2 and S/2, 660' setback. [BLM protest.] [Continued to August.][Continued to December, ltr rec'd 8/7/2009.] [Withdrawn, ltr rec'd 11/16/2009.]	Withdrawn

101-2009	Zenergy Operating Company, LLC	Temporary spacing unit, Bakken Formation, 27N-58E-12: all and 13: all, 660' set back. Default request. [Protest possible, Dale and Leland Romo - Romo Brothers Partnership.] [Continued to December, fax rec'd 8/25/2009.] [Continued, ltr. rec'd 11/20/2009.]	Continued
108-2009	XTO Energy Inc.	Exception to drill additional Bakken Formation well in the permanent spacing unit comprised of 22N-59E-9: all and 16: all, 660' setback. Default requested. [Continued, ltr rec'd 8/12/2009.]	Withdrawn
112-2009	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-9: S/2SE/4, 10: S/2SW/4, 15: N/2NW/4, 16: N/2NE/4 (Trudith 1-15: 210' FNL, 345' FWL of Section 15). Default request with automatic continuance. [Continued to December, fax rec'd 9/4/2009.] [Withdrawn, ltr. Rec' 10/27/2009.]	Withdrawn
130-2009	XTO Energy Inc.	Pool, Bakken Formation, 22N-59E-18: all, 19: all, non-consent penalties (Haffner 11X-18). [Request, continue rec'd 10/7/2009.] [Protest ltr from Cherokee Energy Corporation - costs.] [Continued to Feb. hearing by ltr rec'd 12/4/2009.]	Continued
137-2009	Oasis Petroleum LLC	Permanent spacing unit, Ratcliffe Formation, 28N-58E-27: E/2 (Berwick 44-27H). [Request, continue rec'd 10/7/2009.]	
138-2009	Oasis Petroleum LLC	Permanent spacing unit, Bakken Formation, 27N-50E-27: all (McCrea 11-27HX). [Request, continue rec'd 10/7/2009.] [Ltr rec'd 12/7/2009 indicates well will be plugged; application withdrawn/dismissed.]	Withdrawn

EXHIBIT 5

10-29-09 5

Orlen carver

121 10th Ave. NW

Sidney, Mt. 59270

October 29, 2009.

Mt. Board of Oil and Gas

Mr. Tom Richman:

I am requesting an emergency hearing on Docket # 22-2009.

Orlen Carver

Orlen Carver
(Lenny)

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

October 30, 2009

To: Orlen Carver

From: Jim Halvorson, MT Board of Oil and Gas

Re: Emergency hearing request

We have received your request for emergency hearing on Docket 22-2009. Since Docket 22-2009 was heard and acted upon by the Board at its October 15 hearing this request may not be actionable.

I would suggest that what is needed is a more formal request for an emergency hearing including:

- 1) Identification of the party or parties requesting Board action;
- 2) their relationship with TOI Operating;
- 3) the nature of the emergency; and
- 4) an exact description of the relief being requested.

When a more specific request is received it will be forwarded to the Board's attorney and chairperson for their review and consideration.

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040

NORTHERN FIELD OFFICE
201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Ex 5

Orlen Carver
121 10th Ave NW
Sidney, Mt. 59270

October 27, 2009

Mt. Board of Oil and Gas

MR. Tom Richman:

I am requesting a rehearing on Docket # 22-2009.

Orlen Carver

Orlen Carver
(Lenny)

Orlen Carver

121 10th Ave NW

Sidney, Mt 59270

Office # 406-488-9182

Fax # 406-488-9181

TO: Jim Halvorson, MT Board of Oil and Gas

From: Lenny Carver

Comments: I would appreciate it if you would look over these notes and give me a call to see what I can do about this decision.

Lenny.

August 1, 1997

Lenny Carver, Keith Carver, Scott Putman, Lance Benson and Mark Kasara, were partners in a company called Crown Oil, each partner owned 20%. Crown Oil went into bankruptcy in August of 1998, all assets were given back to Rimco who were the fiancé company. Rimco took all of the good producing wells and left the wells to be plugged on T. O. I. bond. Over the last 10 years T.O.I. has plugged 3 Federal Wells and 5 Fee Wells in Mt, at a cost of \$ 750,000.00. These wells were plugged with revenue from a small roustabout company belonging to Keith Carver and a 1 Rig well servicing company belonging to Lenny Carver.

July 2008;

A company that we were doing rig work and roustabout for started getting behind on their accounts payable to us.

July 2009:

Lenny's company and Keith's company traded \$ 550,000.00 in accounts receivable for 3 wells Wojahn, Thiel, and the Mt. Ag. Station, and also made an agreement to lease all of Par Investment Wells.

September 1, 2009:

We then traded \$ 140,000.00 for the Marker well, this used up all of our operating capital, however August 1, 2009 we finished plugging out, Clark well at a cost of \$ 170,000.00, also we started plugging out BN 12-11 well, and we spent \$ 43,391.00. We had a Canadian Company approach us as to using the BN 12-11 and the BN 11-11 as well bores for a disposal system. They would bond these wells at the next board meeting. We Rigged down and moved the rig back to Sidney to start plugging the Watts well. We were unable to move on Watts well because of heavy rain, and bad roads. We worked on other wells that we could get on until the roads dried up. While moving to the Watts well the Transmission went out of the rig. The rig was down for 10 days for repairs. We have moved on the Watts well and finished plugging it. Will finish plugging the Dore Well by the 11th of November. We are in talks with George at the Mt. Oil & Gas to make the LaBonte into a commercial disposal well. Will move the rig back to the BN 12-11 and BN 11-11 and continue plugging them. We also have verbal agreements with all surface owners for reclamation

Request the Board of Oil & Gas to let me continue to pump these wells under T.O.I. bond so that I can continue with my plugging program outlined above. If I have to wait until December 9th to continue operations. I will not receive any revenue until the 25th of January 2010. The loss of revenue would be approx: \$ 170,000.00.

Lenny Carver 1/2 owner in wells under T.O.I. Bond.



T.O.I. had made a deal with Custom Carbon Processing in Edmonton, Alberta Can. To bond the BN 12-11 and BN 11-11 for a water disposal, two representatives from Custom Carbon drove 800 miles to appear at the Mt. Board of Oil & Gas meeting to bond these wells. Darryl Hystead spoke up and advised the Custom carbon representatives that they should reconsider this facility due to the proximity of the well bores to the creek that runs past these wells. Custom Carbon felt that this meant that they may not be able to put a disposal facility in this area. T.O.I. was left with \$ 43,391.00 already invested plus the cost to finish plugging these wells, which will run approx: another \$125,000.00.

All correspondence for T.O.I. will be sent to Orlen Carver at the following address:

Orlen Carver

Office: 406-488-9182

121 10th Ave. NW

Fax: 406-488-9181

Sidney, Mt. 59270

Cell: 406-480-2895

E-Mail: bcarver@middrivers.com

Thank You

Orlen Carver



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

Plugging and Reclamation Bonds With Well List

ROCKY MOUNTAIN GAS, INC.	356	Bond: F1	Federal	Active	Wells: 0	Allowed: 10/7/2002
Other Bond	FEDERAL BOND				Approved	

Comment:

ROCKY MOUNTAIN GAS, INC.	356	Bond: L1	\$9,000.00 Limited Bond	Active	Wells: 6	Allowed: 6
Certificate of Deposit Active	1ST INTERSTATE BANK		\$9,000.00		Approved	5/17/2002

API #	Operator	Well	Location	Field	TD	PBTD	Status
075-22244	Rocky Mountain Gas, Inc.	Castle Rock 1P	5 S 48 E 18 NE NW 316N 1582W	Wildcat Powder River	676	653	SI CBM
075-22245	Rocky Mountain Gas, Inc.	Castle Rock 2P	5 S 48 E 18 SW SW 913S 936W	Wildcat Powder River	1026	798	SI CBM
075-22246	Rocky Mountain Gas, Inc.	Castle Rock 3P	5 S 48 E 18 NE SE 1628S 1014E	Wildcat Powder River	1063	896	SI CBM
075-22247	Rocky Mountain Gas, Inc.	Castle Rock 4P	5 S 48 E 18 NE NE 912N 1168E	Wildcat Powder River	289	277	SI CBM
075-22248	Rocky Mountain Gas, Inc.	Castle Rock 5AP	5 S 48 E 18 NW SE 1639S 2320E	Wildcat Powder River	1100	1019	SI CBM
075-22255	Rocky Mountain Gas, Inc.	Castle Rock 6AP	6 S 48 E 18 SE NE 2241N 320E	Wildcat Powder River	1482	1176	SI CBM

Comment:

Compliance Status Report

Run Date: 12/9/2009

Page 1 of 1

Rocky Mountain Gas, Inc.

Action Date: 10/16/2009

Production - Delinquent

Penalty: \$1,400.00

Date Assessed: 11/16/2009 Collected:

Compl. Required: 11/17/2009 Achieved:

Comment: Board Order 230-2007 stipulates \$100/lease/month. Do not send fine letters, will recommend to board to take bond in December 2009 meeting.

Letter, Certified
Letter
Letter, Certified

11/16/2009 Fine doubled, June 2009 reports due
11/16/2009 Referred to board, 1st meeting 2010
10/16/2009 May production reports for all leases/\$100/lease

Rocky Mountain Gas, Inc.

Action Date: 4/26/2007

Production - Delinquent

Penalty: \$1,480.00

Date Assessed: 6/7/2007 Collected: 12/15/2007

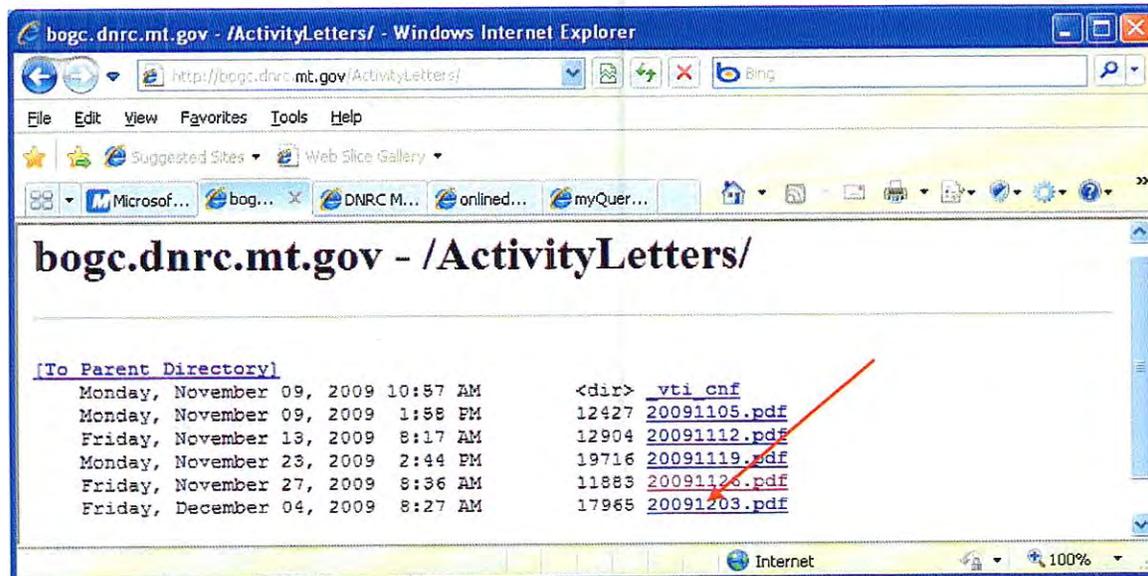
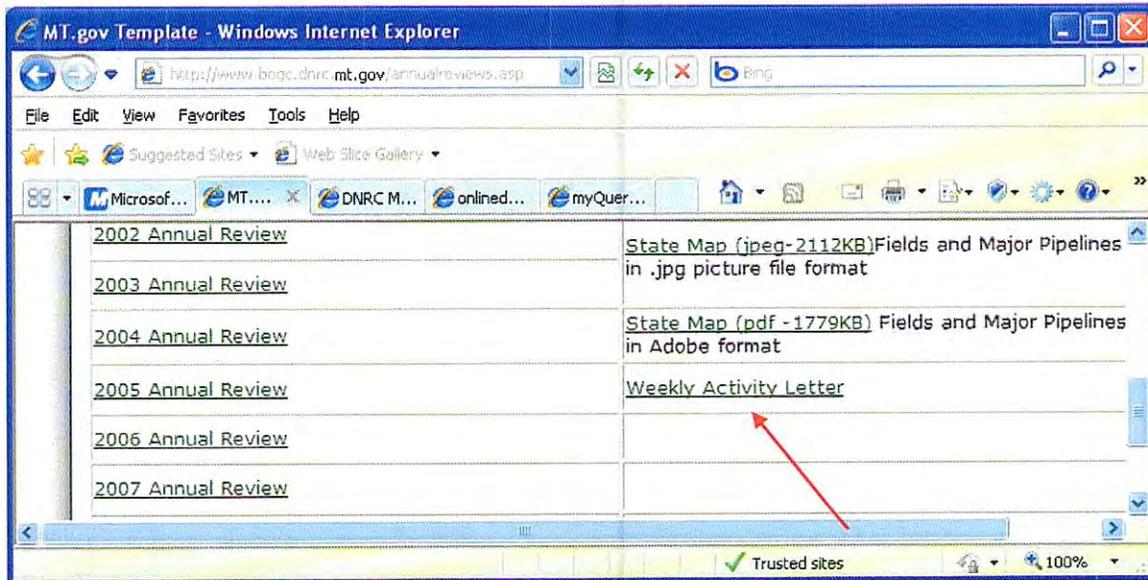
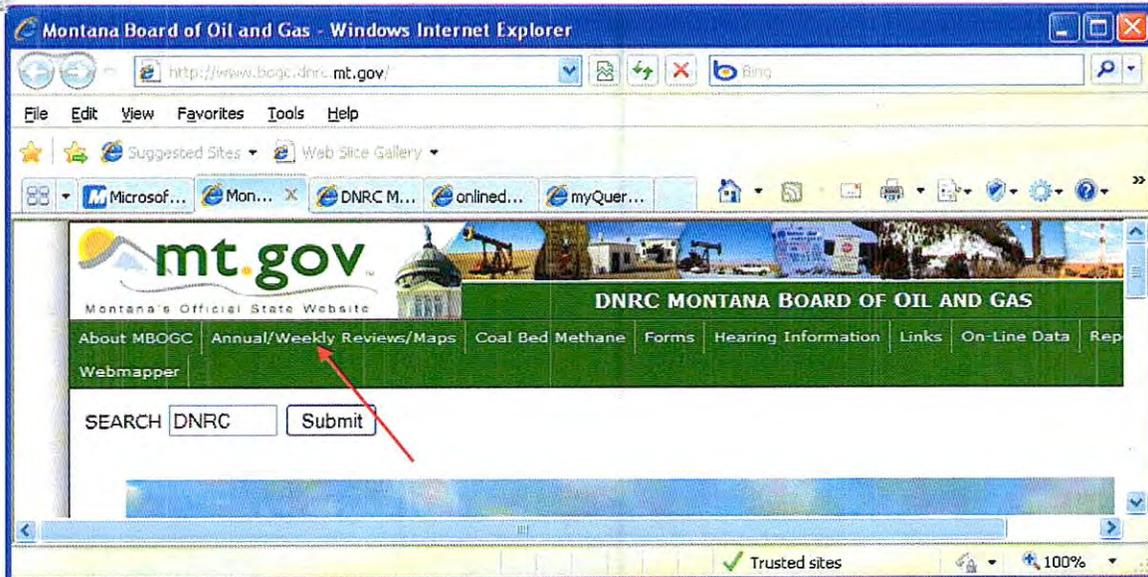
Compl. Required: 5/15/2007 Achieved: 12/15/2007

Comment: All leases for April 2006 through December 2006. Fine assessed due to no response - deadline of July docket deadline. Penalty re-assessed 6/7/2007. No response or communication prior to 6/28/2007. No response due to July hearing or show cause for October hearing. Orders 230-2007 and 335-2007 issued; waiting on Organization Report, fine 12/14/2007 w/ deadline of December 21.

Hearing
Show-cause scheduled
Penalty assessed
Hearing
Show-cause scheduled
Board Referral
Letter, Certified
Penalty assessed
Letter, Certified

10/25/2007 Order 335-2007; Dec. 5 deadline.
9/27/2007 Scheduled for October hearing
7/26/2007 \$480 + \$1,000, Order 230-2007
7/26/2007 Order 230-2007 (corrected)
6/28/2007 Scheduled for July
6/13/2007 Reviewed with board
6/7/2007 Deadline of 6/28; rec'd 6/11
5/15/2007 \$480
4/26/2007 Signed for on 5-2-2007

WEEKLY ACTIVITY LETTER



http://bogc.dnrc.mt.gov/ActivityLetters/20091203.pdf - Windows Internet Explorer

http://bogc.dnrc.mt.gov/ActivityLetters/20091203.pdf

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MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

2535 St. Johns Avenue, Billings, MT 59102 (406) 656-0040

ACTIVITIES: 11/27/2009 To 12/3/2009

New Locations:

Valley	Wildcat	105-21538
Uber Operating, LLC		Big Dog 1
SHL: NE SW 20-33N-41E (1888 FSL/1819 FWL)	EL 2887' GR	28165
Proposed Depth: 7000' (Duperow)		
Approved: 11/30/2009		

Re-Issued Locations:

Fallon	Cedar Creek	025-22925
Fidelity Exploration & Production Co.		Federal 2955
SHL: SW NE 4-6N-60E (1970 FNL/2004 FEL)	EL 3122' GR	28168
Proposed Depth: 2000' (Eagle)		
Approved: 12/02/2009		

Fallon	Cedar Creek	025-22926
Fidelity Exploration & Production Co.		Fee 2907
SHL: SE NW 30-7N-60E (1974 FNL/1849 FWL)	EL 3025' GR	28169
Proposed Depth: 2000' (Eagle)		
Approved: 12/02/2009		

Fallon	Cedar Creek	025-22975
Fidelity Exploration & Production Co.		Federal 2276
SHL: SW NW 30-4N-62E (1336 FNL/144 FWL)	EL 3076' GR	28170
Proposed Depth: 2000' (Eagle)		
Approved: 12/03/2009		

Fallon	Cedar Creek	025-22978
Fidelity Exploration & Production Co.		Fee-CP 2992
SHL: NE SW 23-6N-60E (1973 FSL/1958 FWL)	EL 3053' GR	28171
Proposed Depth: 2000' (Eagle)		
Approved: 12/03/2009		

Done Unknown Zone