

Whew indeed, quite a Friday afternoon memorandum.

Fortunately we have a Bureau policy here that forbids the reading of such memoranda on any day that will be followed by an ordinarily scheduled day off. And given that Mr. Buslee and I normally and ordinarily schedule a day off every other day, it appears that you may be out of luck in terms of an answer. That would be the lawyers Catch-22. We love it.

Nonetheless, and although I am up to my ears in a couple briefs, I grudgingly offer the following:

Attached is a memo I did for Jack King back in 2006.

This memo was intended to be a very general introduction [no actual case cites] but there was no requested follow-up and the Board did not decide to consider any changes [as I recall] but to continue with questioning any forced pooling applicants fairly closely as to the efforts taken to actually locate folks.

I'd also take a look at the early memorandum written by Garrity & Wilson; and I assume you have a copy of it.

Looking at 82-11-202:

The salient language in 82-11-202 (b) is *that "The Board upon application of an interested person may enter an order pooling all interests.....if the applicant has made an **unsuccessful, good faith attempt** to voluntarily pool..."* This highlighted area contains very key language that I believe applies to your questions, but I would like to address it at the end of this email.

While the statute uses the term "an interested person", it goes then goes on to define who can make an application, which you did not ask so I won't address it.

It further states: "*The pooling order **must** be made after a hearing.....*"

This does not mean the pooling order is mandatory, simply that if the Board issues one, it can only do so after an appropriate hearing. Again, the discretion to issue a pooling order rests with the Board.

The statute also appears to allow the Board to decide the terms of the pooling order: "...and must be upon terms that are just and reasonable, etc....." While "just and reasonable" might be considered to give the Board some latitude, the "just and reasonable" phrase only applies to the terms of an issued order.

The statute goes on with eye crossing detail which [I think] references what sort of parameters surround just and reasonable.

As to each "owner" who "refuses" to pay an owner's share of the cost – 82-11-202 (2) (a) – the word owner is apparently now equivalent to the former language in subsection (1) (b) that referred to an interest holder.

You are correct [if not in your numbering] that 82-11-202 (2) (a) requires that the order "must provide" for the payment of the owner's share of the cost [apparently of drilling the well].

Cost is not particularly well defined, but in that same subsection, if there is a dispute over the "cost", the Board, after notice and hearing, gets to decide what it is.

82-11-202 (2) (b) gets to the meat of your questions.

You are correct about the 100% and 200% numbers being statutorily mandated, but they only come into play under the circumstances described in 82-11-202 (2) (b). The key words are if the owner, on a well already drilled "*has failed or refused*" to pay his share, or if the well has not been drilled, if he "*refuses to pay the owner's share of*" a defined level of costs. Again, costs may ultimately be a question for the board, but the 100% and 200% are statutory requirements of various specifically defined costs.

I don't think you asked about 82-11-202 (2) (c) (d) or (e).

The big question is what constitutes "refusal" of "failed".

The "refusal" question is easy. There is a statutory presumption, heavily in favor of the applicant and the overriding right to get at and produce oil and gas. A presumption that I find interesting in that it is being imposed against a mineral interest owner of that oil and gas, but that is neither here nor there.

The statute says that "refusal" is presumed if the owner "fails to pay or agree in writing to promptly pay" his share of the costs after notice by the well operator [who presumably may be different than the applicant for the order] that is either acknowledged by the owner to have been received or sent w/i 30 days prior to the spud date to the address of record in the County or at the office of the Board. The notice has to give an estimated cost of drilling and completion of the well.

So, there is no wiggle room in that statute regarding what "refusal" means, at least in terms of a presumption. The only wiggle room might be for that interest owner who may be negotiating costs; and there is then a dispute, and s/he would not be deemed to refuse to pay until such time as the Board finally determines what the costs may be.

But, we do now go back to the key language of "*if the applicant has made an unsuccessful, good faith attempt to voluntarily pool*".

It seems to me that the Board could make a good argument that not making reasonable efforts [in the eyes of the Board] to find a mineral owner might not constitute a good faith attempt to voluntarily pool said interests.

While the presumption of "refusal to pay" might be statutory, as are the 100% and 200% figures, the Board still has the overriding authority expressed at the beginning of the Statute. It "may" enter a pooling order, and it "may" only do so if the Board finds the applicant has made an "unsuccessful good faith attempt to voluntarily pool" all interests in the permanent spacing unit.

Just some thoughts to chew on.

82-1-301. Definition. The word "person", as used in this part, shall mean any individual, corporation, partnership, joint venture, trust or other entity capable of owning real property in Montana.

History: En. Sec. 6, Ch. 513, L. 1979.

82-1-302. Creation of trust for unlocatable mineral, leasehold, or royalty interest owners. (1) Any person who owns an interest in minerals underlying a tract of land may petition the district court of the county in which the tract or a portion of the tract is located to declare a trust in favor of other persons also owning or claiming an interest in the minerals underlying the tract if their place of residence and present whereabouts is unknown and cannot reasonably be ascertained.

(2) In requesting the appointment of a trustee, the petitioner shall show that:

(a) a diligent but unsuccessful effort to locate the absent owner or claimant has been made; and

(b) appointment of a trustee will be in the best interest of all owners of an interest in the minerals.

(3) After determining that the conditions of subsection (2) have been met, the court shall appoint the clerk of court or, if the clerk of court declines to act as trustee, the department of revenue as trustee and shall authorize the clerk of court or the department to execute and deliver an oil, gas, or other mineral lease, a ratification, a division order, or any other related document or instrument on the terms and conditions as the court may approve.

(4) If at any time a clerk of court decides to not continue as trustee for a trust for unlocatable mineral, leasehold, or royalty interest owners, the district court shall appoint the department of revenue to act as trustee. Upon the department of revenue's appointment as trustee, the clerk of court shall remit all funds and interest held in the trust to the department of revenue.

History: En. Sec. 1, Ch. 513, L. 1979; amd. Sec. 1, Ch. 126, L. 1997.

82-1-303. No further liability for petitioner. If a trust in favor of unlocatable owners or claimants of an interest in minerals has been created and all bonuses, rental payments, royalties, and other income due to the unlocatable owners are being or have been paid to the trustee, the person petitioning for creation of the trust is not liable for further claims by unlocatable owners for bonuses, rental payments, royalties, and other income produced after the creation of the trust.

History: En. Sec. 2, Ch. 513, L. 1979; amd. Sec. 190, Ch. 575, L. 1981.

82-1-304. Administration of trust. (1) The administration of the trust must comply with the appropriate provisions regulating trusts contained in Title 72.

(2) Trustee or attorney fees may not be paid from the trust proceeds.

(3) All bonuses, rental payments, royalties, and other income must be paid to the trustee until the trust is terminated and notice of its termination given to all interested parties. The trustee shall distribute all money held in the trust to the person or persons entitled to the money upon the order of the district court.

(4) A trust in favor of unlocatable owners must be kept in force until the unlocatable owners of the mineral interest in question have successfully claimed their share of the funds held in trust

and have filed the notice, as provided in 82-1-306.

(5) The trustee shall invest funds in a prudent manner, as provided in 72-34-114. Fifty percent of the interest earned on each trust must be credited to the department of revenue or, if the clerk of the court is the trustee, to the general fund of the county in which the mineral interest is located to defray the costs of administration.

(6) Funds held in the trusts are subject to the provisions governing abandoned property contained in Title 70, chapter 9.

History: En. Sec. 3, Ch. 513, L. 1979; amd. Sec. 219, Ch. 685, L. 1989; amd. Sec. 2, Ch. 126, L. 1997.

82-1-305. Trust for unlocatable mineral, leasehold, and royalty interest owners -- penalty. (1) A person may not personally hold for longer than 6 months any bonuses, rental payments, royalties, or other income for unlocatable owners or claimants of an interest in minerals underlying a tract of land. Within the 6-month period, the person shall petition the district court for creation of a trust, as provided in 82-1-302.

(2) A person failing to comply with subsection (1) is liable for all attorney fees and court costs and interest on funds subject to subsection (1) at twice the current average passbook account rate paid by financial institutions in any district in which the property or part of the property is located.

History: En. Sec. 4, Ch. 513, L. 1979; amd. Sec. 3, Ch. 126, L. 1997.

82-1-306. Filing of addresses. (1) Upon the payment of a \$5 fee, a person claiming an interest in minerals underlying a tract of land that is the subject of a trust proceeding under 82-1-302 may file with the clerk and recorder of each county in which the land is located a notice containing the person's address and a description of the person's interest in the minerals. Filing the notice creates a rebuttable presumption that the person owns the interest claimed.

(2) The clerk and recorder shall forward a copy of the notice to the trustee of the trust.

History: En. Sec. 5, Ch. 513, L. 1979; amd. Sec. 4, Ch. 126, L. 1997.

To: Jack King, Montana Board of Oil and Gas Conservation

From: N. Clyde Peterson, Agency Legal Services Bureau

Date: October 31, 2006

Re: Forced Pooling, Legal Research Update

Initial Request

The MBOGC asked me to research the forced pooling statute and the requirements for locating leaseholders by Permanent Spacing applicants who are requesting that a forced pooling order be issued by the MBOGC.

Background

After initial discussions with Jack King it became apparent that this was going to be a long-term project, with the possibility that the MBOGC would be adopting some form of guidelines for applicants. It is also possible that the MBOGC may adopt administrative rules.

Future Information Requests

After research is complete and some concrete examples of how the issue has been and is being handled here and in other states, a further information gathering tool could be used, such as sending a form letter or memorandum to various District Court Judges and attorneys active in the Oil and Gas practice to get their opinions as to specifics they have either used, recommended, or that they would prefer to see used by applicants seeking forced pooling orders.

Research Update

The following is the first report as to my research.

As of this date, my research has been confined to Internet searches on Oil and Gas Law sites, Consumer information web sites for landowners and leaseholders, legal periodicals, and, legal cases in the various states. For the sake of brevity, I will not include citations to case law or titles of articles in this report, but if requested, I can provide either copies of cases and articles, or references to them.

Initially, I began research by reference to the statute requirements in Montana, MCA section 82-11-202, and the references included in the article given to the MBOGC by Tom Richmond – REPRESENTING THE OIL PATCH WITHOUT STEPPING IN IT, A USER’S GUIDE TO MONTANA’S BOARD OF OIL AND GAS CONSERVATION, by Don Garrity and Kemp Wilson, a portion of which is quoted as follows:

...[T]he operator or agreeing owners may seek permanent spacing, and upon receiving an order for the same, seek a forced pooling order awarding costs (including the penalties) to be recovered out of the refusing owner’s share of production from the permanent spacing unit.

How is refusal to join in a project documented? A statutory presumption of refusal is created in the following manner:

An owner is presumed to have refused to pay the owner’s share of costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of costs after notice by the well operator either:

- (I) acknowledged in writing by the owner as received;
- (II) sent at least 30 days prior to the spud date of the well to the owner by certified mail, addressed to the owner’s address of record in the office of the clerk and recorder of the county where the well is to be drilled or the owner’s address on file with the board.

The notice must set forth the location of the well, the projected depth and target formations, the anticipated costs of drilling and completing the well, and the anticipated spud date of the well.

While there is a considerable body of law on Oil and Gas pooling issues, there appears to be surprisingly little on the issue of the amount of effort required to find the names of the “missing” owners of mineral rights. That is, how much effort to find such “missing” persons should a State or an entity such as the MBOGC require of an applicant before issuing a forced pooling order?

Again, Montana statutory law is fairly clear on this issue, but my understanding of the research assignment is to look into other state’s requirements, and into requirements beyond simply filing notice at an easily found last known address.

My research began with an examination of the law upholding “forced” or “compulsory” pooling laws. It became obvious that such laws have withstood considerable constitutional challenge all across the nation, both in State and Federal Court. I won’t go into detail here as to the specific failed challenges, as the concepts are well established.

Three points though, came to the forefront. First, generally speaking, without a specific statute, no court or administrative body can force a pooling agreement. But once enacted, the statutes, if reasonable and clear, are almost always upheld. Second, where private contractual rights [as in property rights] may be in conflict with valid administrative orders issuing compulsory or forced pooling under a statute, the latter supersedes the former. And third, when the public interest in prevention of waste of natural resources conflicts with the private interest, the public interest has to come first. Clearly, once a statutory scheme has been enacted, there is very strong law in favor of forced or compulsory pooling, and any action taken under such a statute will likely be upheld if the statute was followed by the acting agency.

The question then, in my mind, was: when the MBOGC or a similar agency is faced with a forced pooling application, does the specific statute clearly define the duties of an applicant as to how much effort must be expended to find those mineral rights holders whom the applicant states did not agree to a pooling arrangement because they could not be found?

The statute in Montana is clear as to the extent of the duty, but the question to be answered is considering the rights that are at risk, should there be more specific direction and detail?

Before getting into some case law requirements on the question at hand, I did find some anecdotal references to the pressure that is being brought to bear on landowners and mineral owners by drillers through the use [or possibly misuse] of the compulsory or forced pooling statute. I found it to be instructive as to what happens when the “letter of the law” is interpreted in a manner entirely too favorable to a party who can force an agreement on another party.

In Michigan, there were complaints by consumers that when forced pooling applicants were dealing with large amounts of land, with mineral rights owned by many people, the applicants were attempting to force nearly half of the non-agreeing or missing owners into a pool through the use of the forced pooling

statute. The applicants, who must exert “reasonable effort” to obtain a lease or find a missing person, simply found it expedient to not enter into negotiations with landowners or mineral rights owners, but just sent a proposed lease to the address of record. If no answer was obtained, the applicants apparently indicated to the state authority that “reasonable effort” was exerted to obtain a lease. As one might expect, there was general unhappiness with this approach.

In another website concerning consumer anger in Oklahoma, a mineral rights owner persisted in his attempts to negotiate the terms of a lease, and the representative of the leasing company simply told him they had gotten a couple of cheap leases in the area already, and would no longer negotiate as they could now just get a forced pooling order.

I would expect that there would be a backlash if this behavior became commonplace, and that the courts may well begin making their own rules as to what is “reasonable effort”, both as to the effort required to obtain a lease or the effort required to find any “missing” owners of mineral rights. And if the Courts are not the impetus for such in depth examination, it will most certainly fall to those statutorily created Boards who will be making the decisions.

My research into the specifics of what level of effort is required to find “missing” mineral rights owners has unearthed several cases, all quite similar. And generally, as you often find in the law, the later cases cite the same earlier cases.

I will use Oklahoma as a primary example, as there were several cases on the issue. In the earliest case, the Court set out the bedrock reason for requiring a level of effort to locate the address or name of a “missing” mineral rights owner.

A State cannot invest itself with and exercise through its courts, judicial jurisdiction over a person in a proceeding which may directly and adversely affect his legally protected interests [property and mineral rights] without employing a method of notification which is reasonably calculated to give a person knowledge at a meaningful time and in a meaningful manner of attempted exercise of jurisdiction and an opportunity to be heard. This is, simply stated, the due process that is accorded each of us as a citizen of this country.

In Oklahoma, the law was different than in Montana, in that if after making a duly diligent search the addresses could not be found, then one could do a notice by publication of the pooling application before the State Board [Board].

Nevertheless the case is instructive for its examination of how much effort is required for an address search.

As stated by the Oklahoma Court: Due process requirements contemplate that, where feasible, notice of legal proceedings be given by means reasonably calculated to inform all parties having legal rights which are to be directly and adversely affected thereby, and notice of pending proceedings by publication service alone is not sufficient where parties names and addresses are known or should be [through due diligence] easily ascertainable. Therefore, due diligence is the standard you must meet for an address search in Oklahoma.

While due diligence was not defined, the Court found it is established when facts before the Court have a legal tendency to show a diligent search and the Court is satisfied that all the primary sources such as tax rolls, deed records, judicial and other official records, as well as other secondary sources such as telephone and city directories have been exhausted in a meaningful pursuit of information. There must be a diligent search of all available sources at hand to ascertain the whereabouts or post office address of the individual in question.

Furthermore, the burden is placed on those seeking the use of publication service, rather than personal service. And finally, one cannot simply make a perfunctory sworn statement of due diligence, it must be proven. The Judge must be satisfied from the evidence at hand that a duly diligent search was made. One can assume that same duty would be imposed on the administrative Board entering a forced pooling order.

A second and later case illustrated the dangers of a lack of due diligence, and the failure of having such on the record of the administrative Board that later granted a forced pooling order based on a notice by publication rather than by personal service.

In that case, a representative of an estate sued a co-tenant of property seeking an accounting and quiet title action to an undivided mineral rights interest. The estate sought a money judgment for conversion of the proceeds from the production of minerals on the property, claiming lack of notice to the deceased.

The case illustrates what was required under a duty of due diligence [the same as above], and the dangers when a Court finds such effort was lacking. Of perhaps even more interest to the MBOGC, the Court was able to examine and re-open a

long since completed Order of forced pooling by the state Board entitled to enter such an order.

In effect, long after the time for appealing such an order had past, it was re-opened because the Court found, on examining the face of the record, that there was no examination by the Board into the “due diligence” efforts of the applicant requesting a forced pooling order.

Specifically, a District Court reviewing such an action as this one always has the authority to examine whether the Board has jurisdiction to issue a pooling order. In this case it was the personal jurisdiction of the Board over the individual that was at issue, and the Court could look into the process by which the parties were notified of the forced pooling attempt and the subsequent Board order.

The Court could examine whether the addresses of the “missing” parties were known or could have been known by the exercise of due diligence. In effect, whether the Board’s personal jurisdiction over the “missing” parties failed due to the lack of compliance with the existing mandatory law regarding notice. The Court stressed that if the addresses could be easily attained through the exercise of due diligence, and you did not do so, and then any further action would violate the due process rights of the “missing” individual, and presumably [although not in this case] such a finding may lead to a voiding of the forced pooling order

The Oklahoma Court found that the applicant’s efforts would be clearly insufficient if the name or address of the person was readily ascertainable from sources at hand; such as the local and state tax rolls, deed records, judicial and other official records, and other available secondary sources such as telephone and city directories. These must be fully exhausted before there would be a finding of due diligence.

In the end, the Court found notice by publication to be improper, because the applicant for forced pooling had not exercised, and could not prove, a duly diligent search. The order was essentially reopened and the estate was entitled to a complete accounting of payments made.

There are more cases of a similar nature, but the above are I think, illustrative of how Courts view the efforts required to locate missing persons or their addresses under a standard different than in Montana, and should provide a starting point for discussion of whether the MBOGC wishes to consider adopting some guidelines or enacting some administrative rules as to how much effort applicants in Montana

should exert in attempting to find a proper address for an individual mineral rights owner.

I will be available by phone, or email, should anyone wish to ask any further questions before the next meeting, or to further instruct me as to the directions I should take on this project.

I will also continue my research into the issue, and I plan make further reports and to draft a letter or memorandum to send to Judges and attorneys to get further information for the Board.

██████████ prefers to have all mineral owners under lease when they drill, but they are able to drill without having 100% sign up, per MT state law. In the event that ██████████ decides to drill and not all parties are leased, those parties will be offered the opportunity to "participate" in the drilling. In that event, a given lessor may pay their share of the drilling costs from drilling proceeds, and afterwards may retain 100% of the revenue realized from the sale of oil produced. However, as wells targeting this formation (Red River) typically cost 3-5 million dollars to drill, most lessors prefer to let the drilling company take all the risk of drilling a dry hole, and accept a bonus payment and a royalty on production instead.

For example, you decided to participate in the drilling, and the well costs 5 million dollars, and is spaced for the exact 320 acre tract in question, you would be asked to pay a share of the drilling costs proportional to your interest here. To wit: with a 2.96875% interest, you would be asked to pay some \$149,000 in drilling costs on a 5 million dollar well. If you can make the scheduled payments, that's great; you pay \$149K and if the oil flows you keep 100% of your 2.96875% of the oil produced, less your costs of transportation, production, etc. But you may end up paying \$149K and have nothing to show for it if it is a dry hole.

If you do not sign a lease and also refuse to participate, drilling may proceed, and your costs will be taken from production revenue. However, per MT law, you will have to pay a 200% penalty for making the oil company cover your costs, and in this example would not see any revenue until your 2.968% share pays out approximately \$450K. Then it's all gravy for you after that. If however you sign a lease and ██████████ drills a dry hole, you are not obligated to pay anything; you keep the bonus payment.

FINANCIAL STATEMENT
As of 8/1/12
Percent of Year Elapsed: 100

OIL AND GAS DIVISION
FY12 Budget vs. Expenditures

FTE Obj	2011 Regulatory Budget	Expend	Expend % of Budget	2012 LIC Budget	Expend	Expend % of Budget	2027 Education Outreach	Expend	Expend % of Budget	2028 EPA CO2 Primacy	Expend	Expend & of Budget	2013	2013	Expend	
													TOTAL BUDGET	TOTAL EXPENDS	% of Budget	
	17.0			3.5									20.5			
	(2,133)												(2,133)			
	1,075,334	74,308	0.09	185,181	19,042	0.14							1,322,275	100,158	0.08	
1000																
1100																
1300																
1400																
1600																
1800																
2100																
2200																
2300																
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2500																
2600																
2700																
2800																
3100																
6000																
	531,225	19,229	0.04	66,135	3,327	0.05	1,500,000	24,752	0.017	250,000	5,394		2,347,360	22,557	0.01	
	53,019	4,493	0.08	9,526	934	0.10							62,545	5,427	0.09	
	39,482	7,088	0.18	7,228	1,038	0.14							46,710	8,126	0.17	
	32,092	3,341	0.10	6,612	370	0.06							38,704	3,712	0.10	
	17,769	2,851	0.16	2,353	397	0.17							20,122	3,248	0.16	
	11,908	3,029	0.25	2,464	639	0.26							14,372	3,668	0.26	
	9,722	2,921	0.30	2,896	641	0.22							12,618	3,562	0.28	
	28,857	215	0.01	16,909	11	0.00							45,766	225	0.00	
	35,575		0.00	12,500									48,075			
Total	1,832,850	144,705	0.08	363,680	32,428	0.09	1,500,000	24,752	0.017	250,000	5,394		3,946,530	207,279	0.05	
FUNDING																
State Special	1,819,114	144,705	0.08	256,209	32,428	0.13	1,500,000	24,752	0.02	250,000	5,394	0.02	3,839,059	207,279	0.05	
Federal				107,471									107,471			
Total Funds	1,819,114	144,705		363,680	32,428								3,946,530	207,279		

FY 11 Carryforward Orig 2021	
start balance	191,319

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT 9/1/12			
	FY13	FY12	Percentage FY13:FY12
Oil Production Tax	458,741	1,892,587	0.24
Gas Production Tax	39,890	233,675	0.17
Drilling Permit Fees	11,225	69,300	0.16
UIC Permit Fees	-	219,400	
Enhanced Recovery Filing Fee	-	-	
Interest on Investments	393	12,176	
Insurance Proceeds	-	1,160	
Accommodations Tax Rebate	-	-	
Copies of Documents	1,175	7,717	0.15
Miscellaneous Reimbursemts	-	246	
TOTALS	\$ 511,425	\$ 2,436,260	0.21

REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 9/1/12	
	FY13
Transfer in from Orphan Share	0
RIT Interest	0
Bond Forfeitures	0
Reimburse for Fencing (Segelman)	-
Interest on Investments	50
TOTAL	\$ 50

BOND FORFEITURES AS OF 9/1/12	
Go into Damage Mitigation Account	
Athena Energy LLC	52,642
TOTAL	52,642

REVENUE INTO GENERAL FUND FROM FINES as of 9/14/12	
	FY 13
ENCORE ENERGY PARTNERS OPERATING LLC	\$ 5,000.00
CCG LLC	70
LINN OPERATING INC	60
HAWLEY OIL LLP	500
GREY WOLF PRODUCTION COMPANY INC.	100
LONGSHOT OIL LLC	60
LINN OPERATING INC	60
HOFLAND JAMES D	400
IRGENS, MARIAN	70
GREY WOLF PRODUCTION COMPANY INC.	100
BRIGHT OIL & GAS LP	1,000
CABOT OIL & GAS CORPORATION	500
KNAUP HARRY & LUCILLE	70
QUINQUE OIL	80
FIDELITY EXPLORATION & PRODUCTION CO	1,000
RF PARSELL PARTNERSHIP	60
TOTAL	\$ 9,130.00

INVESTMENT ACCOUNT BALANCES 10/09/12	
Oil & Gas ERA	2,836,145
Damage Mitigation	421,021

GRANT BALANCES - 9/1/12			
<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>
2009 Northern	300,000	68,638	231,362
2009 Southern	300,000	0	300,000
2007 Tank Battery	304,847	208,461	96,386
2011 Southern - Tank Battery2	204,951	0	204,951
TOTALS	\$1,109,798	\$277,099	\$627,748

CONTRACT BALANCES - 9/1/12			
2012 Teachers Workshop	43,000	38,744	4,256
EOR Study - MT Tech	179,091	80,931	98,160
Scope of Work - MT Tech	6,250	5,715	535
Automated Maintenance Services, Inc.	27,458	5,634	21,824
Agency Legal Services - Legal	60,000	2,576	57,424
Central Avenue Mall	400	400	0
Liquid Gold Well Service, Inc. - 09 Northern	200,000	68,638	131,362
Liquid Gold Well Service, Inc. - 09 Southern	165,000	0	165,000
C-Brewer - 07 & 11 Southern Tank Battery	424,650	208,461	216,189
TOTALS	1,105,849	411,099	694,750

Agency Legal Services Expenditures in FY13		
Case	Amt Spent	Last Svc Date
BOGC Duties	2,576	8/12
Total	2,576	

**Montana Board of Oil and Gas Conservation
Summary of Bond Activity**

8/7/2012 Through 10/9/2012

Approved

Antelope Resources, Inc. Billings MT	365 L2	Approved Amount: Purpose:	8/17/2012 \$4,500.00 Limited Bond
Certificate of Deposit	\$4,500.00	FIRST STATE BANK OF SHELBY	
Apache Western Exploration LLC Houston TX	711 M1	Approved Amount: Purpose:	10/9/2012 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00	Liberty Mutual Insurance Company	
Fusion Exploration LLC Newport Beach CA	724 G1	Approved Amount: Purpose:	8/15/2012 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00	Western Security Bank	
Greeheyco, Inc. San Antonio TX	722 M1	Approved Amount: Purpose:	8/9/2012 \$50,000.00 Multiple Well Bond
Certificate of Deposit	\$50,000.00	FIRST INTERSTATE BANK	
North Range Exploration, LLC Lake Placid NY	725 G1	Approved Amount: Purpose:	9/7/2012 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00	STOCKMAN BANK, BILLINGS	
NorthWestern Corporation Butte MT	369 T1	Approved Amount: Purpose:	10/9/2012 \$5,000.00 UIC Single Well Bond
Surety Bond	\$5,000.00	FIDELITY & DEPOSIT CO. OF MD	
Shadwell Resources Group, LLC Richmond TX	687 T3	Approved Amount: Purpose:	9/4/2012 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00	Wells Fargo Bank, NA	
Stealth Energy USA, Inc. Billings MT	574 M2	Approved Amount: Purpose:	9/13/2012 \$50,000.00 Single Well Bond
Certificate of Deposit	\$50,000.00	Wells Fargo Bank, NA	
Triangle USA Petroleum Corporation Denver CO	718 T1	Approved Amount: Purpose:	9/14/2012 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00	U.S. Specialty Insurance Co.	
Unit Petroleum Company Tulsa OK	374 G3	Approved Amount: Purpose:	10/2/2012 \$10,000.00 Single Well Bond
Surety Bond	\$10,000.00	WESTCHESTER FIRE INSURANCE CO.	

Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/7/2012 Through 10/9/2012

Approved

Vecta Oil & Gas, Ltd. Dallas TX	723 M1	Approved	8/13/2012
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Certificate of Deposit	\$50,000.00	FIRST INTERSTATE BANK	

Released

Constitution Gas Transport Co., Inc. Salt Lake City UT	152 G1	Released	9/4/2012
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$5,000.00	STOCKMAN BANK, MILES CITY	

Constitution Gas Transport Co., Inc. Salt Lake City UT	152 M1	Released	9/4/2012
		Amount:	\$25,000.00
		Purpose:	Multiple Well Bond
Certificate of Deposit	\$25,000.00	1ST SECURITY BANK & TRUST	

Constitution Gas Transport Co., Inc. Salt Lake City UT	152 G2	Released	9/4/2012
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$5,000.00	STOCKMAN BANK, MILES CITY	

Fort Worth Operating Company, LLC Fort Worth TX	619 G10	Released	9/25/2012
		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	Released	9/25/2012
		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	Released	9/25/2012
		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	Released	9/25/2012
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	

Intermountain Leasing, Inc. Billings MT	318 G2	Released	8/13/2012
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Western Security Bank	

Panther Creek Resources, LLC Denver CO	147 G1	Released	9/6/2012
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	1ST INTERSTATE BANK WEST BLGS.	

**Montana Board of Oil and Gas Conservation
Summary of Bond Activity**

8/7/2012 Through 10/9/2012

Released

Stealth Energy USA, Inc. Billings MT	574 M1	Released	9/13/2012
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Certificate of Deposit	\$50,000.00	Wells Fargo Bank, NA	
Summit Resources, Inc. Calgary AB	11 U1	Released	10/9/2012
		Amount:	\$68,000.00
		Purpose:	UIC Limited Bond
Surety Bond	\$68,000.00	RLI INSURANCE COMPANY	
Summit Resources, Inc. Calgary AB	11 M1	Released	10/9/2012
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	RLI INSURANCE COMPANY	
Suncor Energy (Natural Gas) America Inc. Wilmington DE	329 M2	Released	9/6/2012
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	TRAVELERS CASUALTY & SURETY CO. OF AMERICA	

ALL APPLICATIONS, 10/11/2012 (Final)

Docket	Applicant	Status	Request
490-2012	Brigham Oil & Gas LP	Continued	Spacing
491-2012	Brigham Oil & Gas LP	Continued	Pooling
492-2012	Brigham Oil & Gas LP	Continued	Well Density
493-2012	Brigham Oil & Gas LP		Spacing
494-2012	Brigham Oil & Gas LP		Pooling
495-2012	Brigham Oil & Gas LP	Continued	Vacate Field/Rule
495-2012	Brigham Oil & Gas LP	Continued	Well Density
496-2012	Brigham Oil & Gas LP		Spacing
497-2012	Brigham Oil & Gas LP	Continued	Pooling
498-2012	Brigham Oil & Gas LP	Continued	Well Density
499-2012	Anadarko Minerals, Inc.	Continued	Spacing
500-2012	Anadarko Minerals, Inc.	Continued	Pooling
501-2012	MCR, LLC		Delineation
502-2012	Chaco Energy Company	Continued	Pooling
503-2012	Sandhill Energy, LLC	Default	Class II Permit
504-2012	Energy Corporation of America	Default	Class II Permit
505-2012	Energy Corporation of America	Default	Class II Permit
506-2012	Whiting Oil and Gas Corporation		Spacing
507-2012	Whiting Oil and Gas Corporation		Spacing
508-2012	Whiting Oil and Gas Corporation		Spacing
509-2012	Fidelity Exploration & Production Co.		Spacing
510-2012	Fidelity Exploration & Production Co.		Pooling
511-2012	Fidelity Exploration & Production Co.		Well Density
512-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
513-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
514-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
515-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
516-2012	Fidelity Exploration & Production Co.		Spacing
517-2012	Fidelity Exploration & Production Co.		Well Density
518-2012	Oasis Petroleum, Inc.		Spacing
519-2012	Oasis Petroleum, Inc.		Pooling
520-2012	Oasis Petroleum, Inc.		Well Density
521-2012	Oasis Petroleum, Inc.		Spacing
522-2012	Oasis Petroleum, Inc.		Pooling
523-2012	Oasis Petroleum, Inc.		Well Density
524-2012	Oasis Petroleum, Inc.		Spacing
525-2012	Oasis Petroleum, Inc.		Pooling
526-2012	Oasis Petroleum, Inc.		Well Density
527-2012	Oasis Petroleum, Inc.		Spacing
528-2012	Oasis Petroleum, Inc.		Well Density
529-2012	Marathon Oil Corporation		Spacing
530-2012	Marathon Oil Corporation		Pooling
531-2012	Marathon Oil Corporation		Spacing

ALL APPLICATIONS, 10/11/2012 (Final)

532-2012	Marathon Oil Corporation		Pooling
533-2012	Marathon Oil Corporation		Spacing
534-2012	Marathon Oil Corporation		Pooling
535-2012	Marathon Oil Corporation	Continued	Spacing
536-2012	Marathon Oil Corporation	Continued	Spacing
537-2012	Marathon Oil Corporation	Continued	Spacing
538-2012	Marathon Oil Corporation	Continued	Pooling
539-2012	Cirque Resources LP	Default	Temp. Spacing
540-2012	Cirque Resources LP	Default	Temp. Spacing
541-2012	Cirque Resources LP	Default	Temp. Spacing
542-2012	Cirque Resources LP	Default	Temp. Spacing
543-2012	Cirque Resources LP	Default	Temp. Spacing
544-2012	Cirque Resources LP	Default	Temp. Spacing
545-2012	Cirque Resources LP	Default	Temp. Spacing
546-2012	EOG Resources, Inc.	Continued	Pooling
547-2012	EOG Resources, Inc.	Continued	Well Density
548-2012	EOG Resources, Inc.	Continued	Pooling
549-2012	EOG Resources, Inc.	Continued	Well Density
550-2012	Slawson Exploration Company Inc		Spacing
551-2012	Slawson Exploration Company Inc		Well Density
552-2012	Slawson Exploration Company Inc		Spacing
553-2012	Slawson Exploration Company Inc		Well Density
554-2012	Slawson Exploration Company Inc		Spacing
555-2012	Slawson Exploration Company Inc		Well Density
556-2012	Slawson Exploration Company Inc		Spacing
557-2012	Slawson Exploration Company Inc		Well Density
558-2012	Slawson Exploration Company Inc		Well Density
559-2012	Slawson Exploration Company Inc	Default	Well Density
560-2012	Slawson Exploration Company Inc	Default	Well Density
561-2012	Slawson Exploration Company Inc	Default	Well Density
562-2012	Slawson Exploration Company Inc	Default	Well Density
563-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
564-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
565-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
566-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
567-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
568-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
569-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
570-2012	Slawson Exploration Company Inc	Continued	Temp. Spacing
571-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
572-2012	Slawson Exploration Company Inc	Continued	Temp. Spacing
573-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
574-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
575-2012	Slawson Exploration Company Inc	Default	Temp. Spacing

ALL APPLICATIONS, 10/11/2012 (Final)

576-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
577-2012	Slawson Exploration Company Inc		Temp. Spacing
578-2012	Slawson Exploration Company Inc		Temp. Spacing
579-2012	Slawson Exploration Company Inc		Temp. Spacing
580-2012	Slawson Exploration Company Inc		Spacing Amendment
581-2012	Slawson Exploration Company Inc	Default	Spacing Amendment
582-2012	Slawson Exploration Company Inc	Default	Spacing Amendment
583-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
584-2012	Continental Resources Inc	Default	Temp. Spacing
585-2012	Continental Resources Inc	Default	Temp. Spacing
586-2012	Continental Resources Inc		Spacing
587-2012	Continental Resources Inc		Pooling
588-2012	Continental Resources Inc		Well Density
589-2012	Continental Resources Inc		Spacing
590-2012	Continental Resources Inc		Pooling
591-2012	Continental Resources Inc		Well Density
592-2012	Continental Resources Inc		Spacing
593-2012	Continental Resources Inc		Well Density
594-2012	Continental Resources Inc		Spacing
595-2012	Continental Resources Inc		Pooling
596-2012	Continental Resources Inc		Well Density
597-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
598-2012	Shale Bakken Investment Corporation		Temp. Spacing
599-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
600-2012	Shale Bakken Investment Corporation		Temp. Spacing
601-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
602-2012	Shale Bakken Investment Corporation		Temp. Spacing
603-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
604-2012	Shale Bakken Investment Corporation		Temp. Spacing
605-2012	Vecta Oil & Gas, Ltd.		Vacate Field/Rule
606-2012	Vess Oil Corporation	Continued	Spacing
607-2012	Samson Oil and Gas USA Montana, Inc.	Protested	Temp. Spacing
299-2011	Central Montana Resources, LLC	Continued	Spacing
112-2012	Central Montana Resources, LLC	Withdrawn	Vacate Field/Rule
113-2012	Central Montana Resources, LLC	Withdrawn	Spacing
114-2012	Central Montana Resources, LLC	Withdrawn	Pooling
152-2012	EOG Resources, Inc.	Continued	Spacing
155-2012	EOG Resources, Inc.	Continued	Spacing
156-2012	EOG Resources, Inc.	Continued	Spacing
272-2012	Cirque Resources LP		Pooling
275-2012	XTO Energy Inc.		Spacing
284-2012	XTO Energy Inc.		Well Density
356-2012	EOG Resources, Inc.	Continued	Spacing
376-2012	Slawson Exploration Company Inc	Default	Temp. Spacing

ALL APPLICATIONS, 10/11/2012 (Final)

379-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
380-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
382-2012	Slawson Exploration Company Inc		Spacing
383-2012	Slawson Exploration Company Inc		Pooling
388-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
406-2012	Whiting Oil and Gas Corporation	Continued	Spacing Amendment
415-2012	Samson Resources Company	Continued	Spacing
416-2012	Samson Resources Company	Continued	Pooling
417-2012	Samson Resources Company	Continued	Spacing
418-2012	Samson Resources Company	Continued	Pooling
441-2012	Continental Resources Inc	Protested	Temp. Spacing
461-2012	Central Montana Resources, LLC	Default	Temp. Spacing
462-2012	Central Montana Resources, LLC	Default	Temp. Spacing
476-2012	Oasis Petroleum, Inc.	Continued	Pooling
608-2012	Anschutz Exploration Corporation	Dismissed	Show-Cause
609-2012	Native American Energy Group, Inc.		Show-Cause
610-2012	McOil Montana One LLC		Show-Cause
352-2012	G/S Producing, Inc.		Show-Cause

APPLICATIONS TO HEAR, 10/11/2012 (Final)

Docket	Applicant	Status	Request
493-2012	Brigham Oil & Gas LP		Spacing
494-2012	Brigham Oil & Gas LP		Pooling
496-2012	Brigham Oil & Gas LP		Spacing
275-2012	XTO Energy Inc.		Spacing
284-2012	XTO Energy Inc.		Well Density
501-2012	MCR, LLC		Delineation
506-2012	Whiting Oil and Gas Corporation		Spacing
507-2012	Whiting Oil and Gas Corporation		Spacing
508-2012	Whiting Oil and Gas Corporation		Spacing
509-2012	Fidelity Exploration & Production Co.		Spacing
510-2012	Fidelity Exploration & Production Co.		Pooling
511-2012	Fidelity Exploration & Production Co.		Well Density
516-2012	Fidelity Exploration & Production Co.		Spacing
517-2012	Fidelity Exploration & Production Co.		Well Density
518-2012	Oasis Petroleum, Inc.		Spacing
519-2012	Oasis Petroleum, Inc.		Pooling
520-2012	Oasis Petroleum, Inc.		Well Density
521-2012	Oasis Petroleum, Inc.		Spacing
522-2012	Oasis Petroleum, Inc.		Pooling
523-2012	Oasis Petroleum, Inc.		Well Density
524-2012	Oasis Petroleum, Inc.		Spacing
525-2012	Oasis Petroleum, Inc.		Pooling
526-2012	Oasis Petroleum, Inc.		Well Density
527-2012	Oasis Petroleum, Inc.		Spacing
528-2012	Oasis Petroleum, Inc.		Well Density
529-2012	Marathon Oil Corporation		Spacing
530-2012	Marathon Oil Corporation		Pooling
531-2012	Marathon Oil Corporation		Spacing
532-2012	Marathon Oil Corporation		Pooling
533-2012	Marathon Oil Corporation		Spacing
534-2012	Marathon Oil Corporation		Pooling
550-2012	Slawson Exploration Company Inc		Spacing
551-2012	Slawson Exploration Company Inc		Well Density
552-2012	Slawson Exploration Company Inc		Spacing
553-2012	Slawson Exploration Company Inc		Well Density
554-2012	Slawson Exploration Company Inc		Spacing
555-2012	Slawson Exploration Company Inc		Well Density
556-2012	Slawson Exploration Company Inc		Spacing
557-2012	Slawson Exploration Company Inc		Well Density
577-2012	Slawson Exploration Company Inc		Temp. Spacing
578-2012	Slawson Exploration Company Inc		Temp. Spacing
579-2012	Slawson Exploration Company Inc		Temp. Spacing
580-2012	Slawson Exploration Company Inc		Spacing Amendment
382-2012	Slawson Exploration Company Inc		Spacing

APPLICATIONS TO HEAR, 10/11/2012 (Final)

383-2012	Slawson Exploration Company Inc		Pooling
558-2012	Slawson Exploration Company Inc		Well Density
586-2012	Continental Resources Inc		Spacing
587-2012	Continental Resources Inc		Pooling
✓ 588-2012	Continental Resources Inc		Well Density
589-2012	Continental Resources Inc		Spacing
590-2012	Continental Resources Inc		Pooling
591-2012	Continental Resources Inc		Well Density
592-2012	Continental Resources Inc		Spacing
593-2012	Continental Resources Inc		Well Density
594-2012	Continental Resources Inc		Spacing
595-2012	Continental Resources Inc		Pooling
596-2012	Continental Resources Inc		Well Density
598-2012	Shale Bakken Investment Corporation		Temp. Spacing
600-2012	Shale Bakken Investment Corporation		Temp. Spacing
602-2012	Shale Bakken Investment Corporation		Temp. Spacing
604-2012	Shale Bakken Investment Corporation		Temp. Spacing
605-2012	Vecta Oil & Gas, Ltd.		Vacate Field/Rule
607-2012	Samson Oil and Gas USA Montana, Inc.	Protested	Temp. Spacing
441-2012	Continental Resources Inc	Protested	Temp. Spacing
272-2012	Cirque Resources LP		Pooling
609-2012	Native American Energy Group, Inc.		Show-Cause
610-2012	McOil Montana One LLC		Show-Cause
352-2012	G/S Producing, Inc.		Show-Cause

DEFAULT DOCKET, 10/11/2012 (Final)

Docket	Applicant	Status	Request
503-2012	Sandhill Energy, LLC	Default	Class II Permit
504-2012	Energy Corporation of America	Default	Class II Permit
505-2012	Energy Corporation of America	Default	Class II Permit
512-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
513-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
514-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
515-2012	Fidelity Exploration & Production Co.	Default	Temp. Spacing
539-2012	Cirque Resources LP	Default	Temp. Spacing
540-2012	Cirque Resources LP	Default	Temp. Spacing
541-2012	Cirque Resources LP	Default	Temp. Spacing
542-2012	Cirque Resources LP	Default	Temp. Spacing
543-2012	Cirque Resources LP	Default	Temp. Spacing
544-2012	Cirque Resources LP	Default	Temp. Spacing
545-2012	Cirque Resources LP	Default	Temp. Spacing
559-2012	Slawson Exploration Company Inc	Default	Well Density
560-2012	Slawson Exploration Company Inc	Default	Well Density
561-2012	Slawson Exploration Company Inc	Default	Well Density
562-2012	Slawson Exploration Company Inc	Default	Well Density
563-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
564-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
565-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
566-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
567-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
568-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
569-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
571-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
573-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
574-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
575-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
576-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
581-2012	Slawson Exploration Company Inc	Default	Spacing Amendment
582-2012	Slawson Exploration Company Inc	Default	Spacing Amendment
583-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
584-2012	Continental Resources Inc	Default	Temp. Spacing
585-2012	Continental Resources Inc	Default	Temp. Spacing
597-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
599-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
601-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
603-2012	Shale Bakken Investment Corporation	Default	Temp. Spacing
376-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
379-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
380-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
388-2012	Slawson Exploration Company Inc	Default	Temp. Spacing
461-2012	Central Montana Resources, LLC	Default	Temp. Spacing
462-2012	Central Montana Resources, LLC	Default	Temp. Spacing

Sasaki, Steve

From: DANNY MURPHY [dannyboyrad@yahoo.com]
Sent: Wednesday, October 10, 2012 8:09 AM
To: Sasaki, Steve
Cc: Joni Stewart
Subject: Re: BOGC business meeting

Good Morning Steve,

Mountain Pacific General has come up with 4 wells that are now scheduled to be plugged by this time next year. They are as follows:

- | | | |
|----------------------------|-----------------|----------|
| 1.) Edmister Coulee #11-20 | Sec.20-T31N-R3E | se nw nw |
| 2.) Galata 31-3-6-1 | Sec.06-T31N-R3E | ne ne |
| 3.) State #6-17 | Sec.17-T31N-R3E | sw se nw |
| 4.) Maurer #17-5 | Sec.17-T27N-R3E | sw nw |

I am unable to get down there for this meeting as I need to be close by for my mom, but will in the future if need be. Thanks Steve for all of your help and understanding. If you have any questions, just e-mail me, or call the office #873-0040 or my personal cell #450-5352.
 danny

From: "Sasaki, Steve" <ssasaki@mt.gov>
To: 'DANNY MURPHY' <dannyboyrad@yahoo.com>
Sent: Tuesday, October 9, 2012 4:30 PM
Subject: RE: BOGC business meeting

Thanks
 Steve

From: DANNY MURPHY [mailto:dannyboyrad@yahoo.com]
Sent: Tuesday, October 09, 2012 4:29 PM
To: Sasaki, Steve
Subject: Re: BOGC business meeting

Steve, sorry that I didn't get the list to you sooner, our pumper and I were reviewing the wells that were never hooked up, or produced, and he had forgotten to get back to me. I will get back to you this evening or first thing in the morning.
 danny

From: "Sasaki, Steve" <ssasaki@mt.gov>
To: "stewart@montana.com" <stewart@montana.com>
Cc: 'DANNY MURPHY' <dannyboyrad@yahoo.com>
Sent: Tuesday, October 9, 2012 4:15 PM
Subject: BOGC business meeting

Joni/Danny,

Are you or Danny planning to attend the October 10, 2012 business meeting? I still need the wells you are planning to plug by next August 2013.

Thanks
Steve

TO

MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102

RECEIVED

AUG 17 2012

ORGANIZATION REPORT

MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

1. Full name of the Company, Organization, or Individual MOUNTAIN PACIFIC GENERAL

2. Address 302 8th Ave. S.E. CUT BANK MT (406)873-0040
(Address) (City) (State) (Telephone Number)

3. Form and Purpose of the Organization:

CORPORATION

(State whether a corporation, joint stock association, firm or partnership)

OIL & GAS EXPLORATION AND PRODUCTION

(State the purpose of the organization)

(If foreign corporation, give (1) state where incorporated; (2) name, address, and telephone number of Montana agent; date of qualification to do business in Montana)

4. Officers:

TITLE NAME ADDRESS

Trustee _____

Trustee _____

President JONI STEWART 302 8th Ave. S.E. Cut Bank, MT 59427

Vice President JONI STEWART 302 8th Ave. S.E. Cut Bank, MT 59427

Secretary JONI STEWART 302 8th Ave. S.E. Cut Bank, MT 59427

Treasurer JONI STEWART 302 8th Ave. S.E. Cut Bank, MT 59427

(Other) _____

(OVER)

5. Directors:

NAME	ADDRESS
JONI STEWART	302 8th Ave. S.E. CUT BANK, MT 59427

6. Is this a re-organization? NO

Dated this 10TH day of AUGUST, 2012

By: JONI STEWART, president *Joni Stewart*
(Name and Title)

302 8th Ave. S.E. CUT BANK, MT 59427 (406)873-0040
(Address and telephone number)

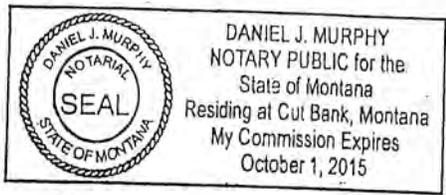
(Address, continued)

State of MONTANA

County of GLACIER

JONI STEWART being first duly sworn deposes and says that (s)he is
the PRESIDENT of MOUNTAIN PACIFIC GENERAL; that (s)he has personal
knowledge of the ownership, management and officers of said CORPORATION; that the statements
above made concerning said organization are true and correct.

Subscribed and sworn to before me this 10TH day of AUGUST 2012



Daniel J. Murphy Daniel J. Murphy
Notary Public, State of MONTANA

Residing at CUT BANK, MT

My Commission Expires 1 OCTOBER 2015

MONTANA BOARD OF OIL AND GAS CONSERVATION

Date Registered: August 17, 2012

By: *Dorothy Lausech*
(Name and Title)
Statistical Technician

FINES COLLECTED BY THE MONTANA BOARD OF OIL AND GAS 2012-2008

Date Received	Payor	Check Amount	Type Fine
9/23/2012	Anschutz Exploration Corporation	500	Delinquent Report
9/7/2012 0:00	CCG LLC	70	Production
9/7/2012 0:00	LINN OPERATING INC	60	Production
8/30/2012 0:00	HAWLEY OIL LLP	500	Production
8/30/2012 0:00	GREY WOLF PRODUCTION COMPANY INC.	100	Production
8/30/2012 0:00	LONGSHOT OIL LLC	60	Production
8/30/2012 0:00	LINN OPERATING INC	60	Production
8/22/2012 0:00	HOFLAND JAMES D	400	Production
8/22/2012 0:00	IRGENS, MARIAN	70	Production
8/20/2012 0:00	GREY WOLF PRODUCTION COMPANY INC.	100	Production
8/7/2012 0:00	BRIGHAM OIL & GAS LP	1000	Violation HF
8/3/2012 0:00	CABOT OIL & GAS CORPORATION	250	Delinquent
8/2/2012 0:00	KNAUP HARRY & LUCILLE	70	Production
8/2/2012 0:00	QUINQUE OIL	80	Production
7/27/2012 0:00	FIDELITY EXPLORATION & PRODUCTION CO	1000	Violation HF
7/25/2012 0:00	CABOT OIL & GAS CORPORATION	500	Delinquent Report
7/24/2012 0:00	RF PARSELL PARTNERSHIP	60	Production
7/10/2012 0:00	CONSTITUTION PETROLEUM CO. INC.	240	Production
7/10/2012 0:00	TAYLOR GAS COMPRESSION INC	360	Production
6/1/2012 0:00	SOMONT OIL CO INC	1600	Permit Violation
5/10/2012 0:00	HUNTER ENERGY LLC	60	Production
4/25/2012 0:00	NATIVE AMERICAN ENERGY GROUP INC	200	Production
4/16/2012 0:00	ZIMMERMAN COMPANY RESOURCES	1000	Failure to appear
4/16/2012 0:00	HI-LINE PARTNERS LLC	500	Production
3/19/2012 0:00	CCG LLC	70	Production
3/19/2012 0:00	LINDBERG JANE	100	Production
3/12/2012 0:00	L & B WELL SERVICE INC	2500	Permit Violation
3/7/2012 0:00	IRGENS, MARIAN	70	Production
3/7/2012 0:00	HAWLEY OIL LLP	300	Production
2/29/2012 0:00	ECA HOLDINGS LP	60	Production
1/3/2012 0:00	JH OIL CO	80	Production
1/3/2012 0:00	HOFLAND JAMES D	130	Production
12/30/2011 0:00	BRANDON BILL	70	Production
12/30/2011 0:00	RF PARSELL PARTNERSHIP	60	Production
12/22/2011 0:00	SLOCHCIN INC	70	Production
12/19/2011 0:00	LAMASON-BENSON STEPHANIE	60	Production
12/12/2011 0:00	BAXTER, FRANK	5000	Fine
11/30/2011 0:00	QUINQUE OIL	80	Production
11/30/2011 0:00	KNAUP HARRY & LUCILLE	70	Production
11/30/2011 0:00	ROLAND OIL & GAS LLC	30	Production
11/17/2011 0:00	PHOENIX ENERGY INC	90	Production
11/17/2011 0:00	MOUNTAIN PACIFIC GENERAL INC	1040	Fine Failure to Appear
11/17/2011 0:00	LYON OIL	120	Production

11/2/2011 0:00	AUGUST ENERGY SERVICES LLC	1100	Production
10/31/2011 0:00	AUGUST ENERGY SERVICES LLC	30	Production
10/31/2011 0:00	GREY WOLF PRODUCTION COMPANY INC.	50	Production
10/26/2011 0:00	BENSUN ENERGY	5000	Fine
10/20/2011 0:00	GREY WOLF PRODUCTION COMPANY INC.	50	Production
10/12/2011 0:00	NATIVE AMERICAN ENERGY GROUP INC	100	Production
10/7/2011 0:00	SOUTHSIDE OIL & GAS LTD	40	Production
10/7/2011 0:00	HAWLEY OIL	340	Production
9/29/2011 0:00	WADMAN VALERIE	10	Production
9/22/2011 0:00	COALRIDGE DISPOSAL & PETROLEUM	10	Production
9/22/2011 0:00	SBG SHERIDAN FACILITY LLC	1000	Pit Violation
9/13/2011 0:00	ECA HOLDINGS LP	10	Production
9/8/2011 0:00	JUSTICE OILFIELD WATER SERVICE INC.	20	Production
8/16/2011 0:00	MOUNTAIN PACIFIC GENERAL INC	4900	Fine Failure to plug well
8/12/2011 0:00	MCOIL MONTANA ONE LLC	120	Production
8/12/2011 0:00	MISC OIL CO	10	Production
8/12/2011 0:00	PHOENIX ENERGY INC	90	Production
7/20/2011 0:00	SLAWSON EXPLORATION COMPANY INC	5000	Permit Violation
7/18/2011 0:00	KELLY OIL & GAS LLC	10	Production
7/18/2011 0:00	HOFLAND JAMES D	20	Production
7/18/2011 0:00	HOFLAND JAMES D	80	Production
7/18/2011 0:00	SLOHCIN INC.	10	Production
7/8/2011 0:00	BRANDON OIL	20	Production
6/16/2011 0:00	ZIMMERMAN RYAN	580	Production
5/11/2011 0:00	MONTANA RESOURCE MANAGEMENT	10	Production
5/3/2011 0:00	RANCH OIL CO INC	10	Production
4/29/2011 0:00	C-W JOINT VENTURE	10	Production
4/29/2011 0:00	C-W JOINT VENTURE	240	Production
4/8/2011 0:00	COLUMBIA PETROLEUM LTD	20	Production
3/18/2011 0:00	PRAIRIE ROSE RESOURCES INC	10	Production
3/3/2011 0:00	DENBURY	90	Production
2/24/2011 0:00	GREY WOLF PRODUCTION COMPANY INC.	50	Production
2/24/2011 0:00	UNITED STATES ENERGY	100	Production
2/16/2011 0:00	PRIMARY PETROLEUM COMPANY USA	20	Production
2/10/2011 0:00	MCHUGH DIXIE	560	Production
2/7/2011 0:00	BRAINSTORM ENERGY INC.	140	Production
2/4/2011 0:00	SONKAR INC	20	Production
1/26/2011 0:00	UNITED STATES ENERGY	10	Production
1/21/2011 0:00	POTLATCH OIL & REFINING COMPANY	20	Production
1/7/2011 0:00	SOUTHSIDE OIL & GAS LTD	30	Production
12/16/2010 0:00	CARRELL OIL COMPANY	6400	Production
12/3/2010 0:00	NATIVE AMERICAN ENERGY GROUP	360	Production
10/21/2010 0:00	ROLAND OIL & GAS LLC	20	Production
10/1/2010 0:00	KING-SHERWOOD OIL CO.	150	Production
10/1/2010 0:00	GREY WOLF PRODUCTION COMPANY INC.	50	Production
9/24/2010 0:00	HOFLAND JAMES D	160	Production
9/24/2010 0:00	HOFLAND JAMES D	40	Production

9/25/2009 0:00 KEESUN CORPORATION	260	Production
9/25/2009 0:00 CONSTITUTION PETROLEUM CO. INC.	70	Production
9/11/2009 0:00 BRANDON, BILL	20	Production
8/28/2009 0:00 IRGENS, MARIAN	40	Production
8/21/2009 0:00 RINCON OIL & GAS, LLC	10	Production
8/12/2009 0:00 JHR SPECIAL	20	Production
8/6/2009 0:00 OIL FILED SERVICES PLUS LLC	20	Production
8/6/2009 0:00 UNITED STATES ENERGY	10	Production
7/13/2009 0:00 SUMMER NIGHT OIL COMPANY LLC	20	Production
7/13/2009 0:00 DARRIGO JOSEPH	60	Production
6/26/2009 0:00 WADMAN VALERIE (MILLER FAMILY ACCOUNT	10	Production
6/19/2009 0:00 MOUNTAIN PACIFIC GENERAL INC.	10	Production
6/19/2009 0:00 SLOHCIN INC.	20	Production
6/16/2009 0:00 HOFFERBER, DEVRA	70	Production
6/12/2009 0:00 COLUMBIA PETROLEUM LTD. TRUST	10	Production
6/5/2009 0:00 YELLOW QUEEN URANIUM CO	10	Production
5/22/2009 0:00 HAWLEY OIL	340	Production
5/8/2009 0:00 S & L ENERGY INC	20	Production
5/8/2009 0:00 PRAIRIE DOG EXPLORATION LLC	10	Production
5/8/2009 0:00 UTTERBACK ACCOUNTING LLC	80	Production
5/8/2009 0:00 TOPAZ OIL & GAS, INC	30	Production
5/1/2009 0:00 CAPITAN OPERATING LLC	20	Production
3/27/2009 0:00 HOFLAND, JAMES	110	Production
3/27/2009 0:00 CCG LLC	20	Production
2/27/2009 0:00 COLUMBIA PETROLEUM LTD TRUST	10	Production
2/27/2009 0:00 IOFINA NATURAL GAS INC	20	Production
2/17/2009 0:00 WADMAN, VALERIE	10	Production
1/28/2009 0:00 CARRELL OIL COMPANY	1000	Production
1/23/2009 0:00 BRANCH, JILL	50	Production
1/20/2009 0:00 YELLOWSTONE PETROLEUMS, INC.	1000	Production
1/20/2009 0:00 HERCO EXPLORATION, LLC	10	Production
1/9/2009 0:00 IRGENS, MARIAN	20	Production
1/9/2009 0:00 FRYDENLUND, KARIE	60	Production
1/9/2009 0:00 MISC OIL CO	10	Production
1/9/2009 0:00 PHOENIX ENERGY INC	100	Production
1/5/2009 0:00 SONKAR INC	20	Production
12/5/2008 0:00 JORGENSEN, CYNTHIA	200	Production
12/5/2008 0:00 RINCON OIL & GAS, LLC.	20	Production
11/24/2008 0:00 MONEYGRAM	30	Production
10/31/2008 0:00 GREY WOLF PRODUCTION COMPANY INC.	100	Production
10/30/2008 0:00 J H OIL CO	220	Production
10/22/2008 0:00 HAWLEY OIL	170	Production
10/17/2008 0:00 KNAUP HARRY & LUCILLE	20	Production
10/17/2008 0:00 QUINQUE OIL	30	Production
10/17/2008 0:00 DELPHI INTERNATIONAL INC.	1000	Production
9/22/2008 0:00 SANDS OIL COMPANY	2000	UIC Violation
8/29/2008 0:00 CARRELL OIL COMPANY	6400	Production

7/25/2008 0:00 HAWLEY OIL	170	Production
6/30/2008 0:00 PROVIDENT ENERGY ASSOCIATES LLC	60	Production
6/11/2008 0:00 COLUMBIA PETROLEUM LTD	40	Production
6/11/2008 0:00 GUNDERSON FARMS INC	10	Production
6/6/2008 0:00 UNITED STATES ENERGY	30	Production
5/22/2008 0:00 SERVICES PLUS, LLC	480	Production

REGULATIONS CONCERNING TESTING OF SERVICE RIG ANCHORS

NORTH DAKOTA	No regulation on testing permanent rig anchors. Referred to API specifications.
SOUTH DAKOTA	No regulation on testing permanent rig anchors. Referred to API specifications or OSHA recommendations.
WYOMING	No regulation on testing permanent rig anchors. Referred to API specifications or OSHA recommendations.
OSHA Recommendations/API	Inspect all anchors before rigging up the mast. Anchors should meet American Petroleum Institute (API) specifications for loads and guying patterns. <i>2004 Publications, Programs, and Services.</i> American Petroleum Institute (API), (2004)]

STATE OF MONTANA INSURANCE DEDUCTIONS CALENDAR

*PROPOSED HEARING
SCHEDULE*

2013

KEY	
PAYDAYS	○
PAY PERIOD ENDING	□
HOLIDAYS	◇

JANUARY

S	M	T	W	TH	F	S
		◇ 1	2	3	4	5
6	7	8	○ 9	10	□ 11	12
13	14	15	16	17	18	19
20	◇ 21	22	○ 23	24	□ 25	26
27	28	29	30	31		

FEBRUARY

S	M	T	W	TH	F	S
					1	2
3	4	5	○ 6	7	□ 8	9
10	11	12	13	14	15	16
17	◇ 18	19	○ 20	21	□ 22	23
24	25	26	27	28		

MARCH

S	M	T	W	TH	F	S
					1	2
3	4	5	○ 6	7	□ 8	9
10	11	12	13	14	15	16
17	18	19	○ 20	21	□ 22	23
24	25	26	27	28	29	30

APRIL

S	M	T	W	TH	F	S
	1	2	○ 3	4	□ 5	6
7	8	9	10	11	12	13
14	15	16	○ 17	18	□ 19	20
21	22	23	24	25	26	27
28	29	30				

MAY

S	M	T	W	TH	F	S
		○ 1	2	3	4	
5	6	7	8	9	10	11
12	13	14	○ 15	16	□ 17	18
19	20	21	22	23	24	25
26	◇ 27	28	○ 29	30	□ 31	

JUNE

S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	○ 12	13	□ 14	15
16	17	18	19	20	21	22
23	24	25	○ 26	27	□ 28	29

JULY

S	M	T	W	TH	F	S
	1	2	3	◇ 4	5	6
7	8	9	○ 10	11	□ 12	13
14	15	16	17	18	19	20
21	22	23	○ 24	25	□ 26	27
28	29	30	31			

AUGUST

S	M	T	W	TH	F	S
				1	2	3
4	5	6	○ 7	8	□ 9	10
11	12	13	14	15	16	17
18	19	20	○ 21	22	□ 23	24
25	26	27	28	29	30	31

SEPTEMBER

S	M	T	W	TH	F	S
1	◇ 2	3	○ 4	5	□ 6	7
8	9	10	11	12	13	14
15	16	17	○ 18	19	□ 20	21
22	23	24	25	26	27	28
29	30					

OCTOBER

S	M	T	W	TH	F	S
		1	○ 2	3	□ 4	5
6	7	8	9	10	11	12
13	◇ 14	15	○ 16	17	□ 18	19
20	21	22	23	24	25	26
27	28	29	○ 30	31		

NOVEMBER

S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	◇ 11	12	○ 13	14	□ 15	16
17	18	19	20	21	22	23
24	25	26	○ 27	◇ 28	□ 29	30

DECEMBER

S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	○ 11	12	□ 13	14
15	16	17	18	19	20	21
22	23	○ 24	◇ 25	26	□ 27	28
29	30	31				

hearing *file deadline*