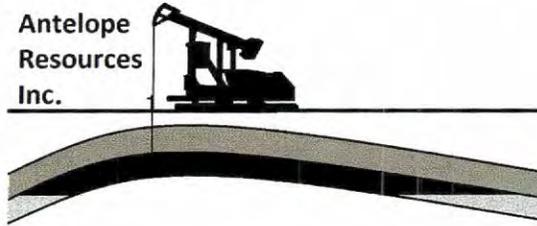


Antelope  
Resources  
Inc.



## Improper Plugging of Bailee #1 Well

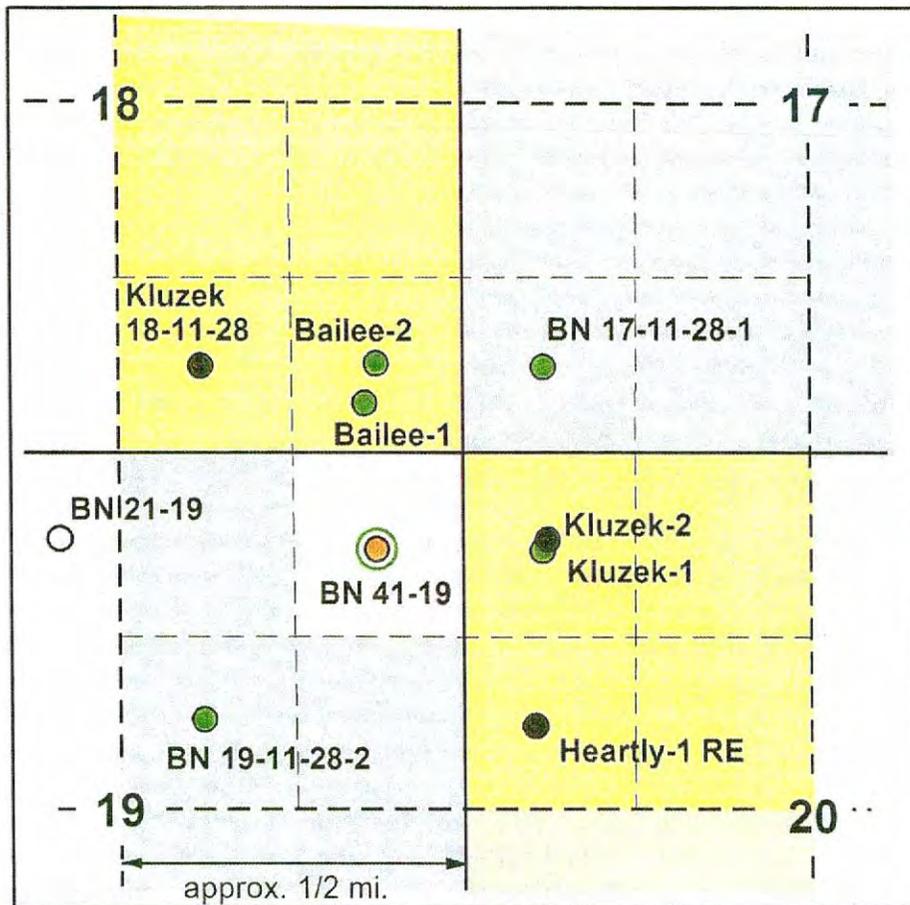
SE/SE 18 (361' FSL & 679' FEL)

T11N – R28E

Howard Coulee Field

Musselshell County, Montana

- GR EL – 3290'
- P & A – July 3, 2006
- TD – Tyler (3460)
- Surface casing to 340'
- No production casing
- No cement plugs over Porous Amsden & Piper formation at 3150 to 3300'
- Lowest cement plug is over lower 3<sup>rd</sup> Cat Creek Sands and Morrison Sands (2500 – 2650') - 50 Sacks
  - 2<sup>nd</sup> plug – Base surface casing
  - 3<sup>rd</sup> plug – top surface casing – 1 sack
- ❖ Note: R&A Comp Rpt – August 2007: Important Zones of Porosity
  - 1<sup>st</sup> Cat Creek- 2189 – 2206
  - Amsden- 3190 – 3351
  - Tyler- 3351 – 3432



**T11N - R28E**

Well	Section	Spot	Description	
BN 17-11-28-1	17	C-SW-SW	660 ft FSL	660 ft FWL
Bailee-1	18	SE-SE	361 ft FSL	679 ft FEL
Bailee-2	18	C-SE-SE	660 ft FSL	660 ft FEL
Kluzek 18-11-28	18	C-SW-SE	660 ft FSL	1980 ft FEL
BN 21-19	19	NE-NW	660 ft FNL	2066 ft FWL
BN 41-19	19	C-NE-NE	660 ft FNL	660 ft FEL
BN 19-11-28-2	19	C-SW-NE	1980 ft FNL	1980 ft FEL
Kluzek-1	20	NW-NW	660 ft FNL	662 ft FWL
Kluzek-2	20	NW-NW	616 ft FNL	659 ft FWL
Hearty-1 RE	20	SW-NW	1980 ft FNL	662 ft FWL

- Productive from the Piper Lime
- Potential pay in the Piper Lime
- Productive from the Tyler

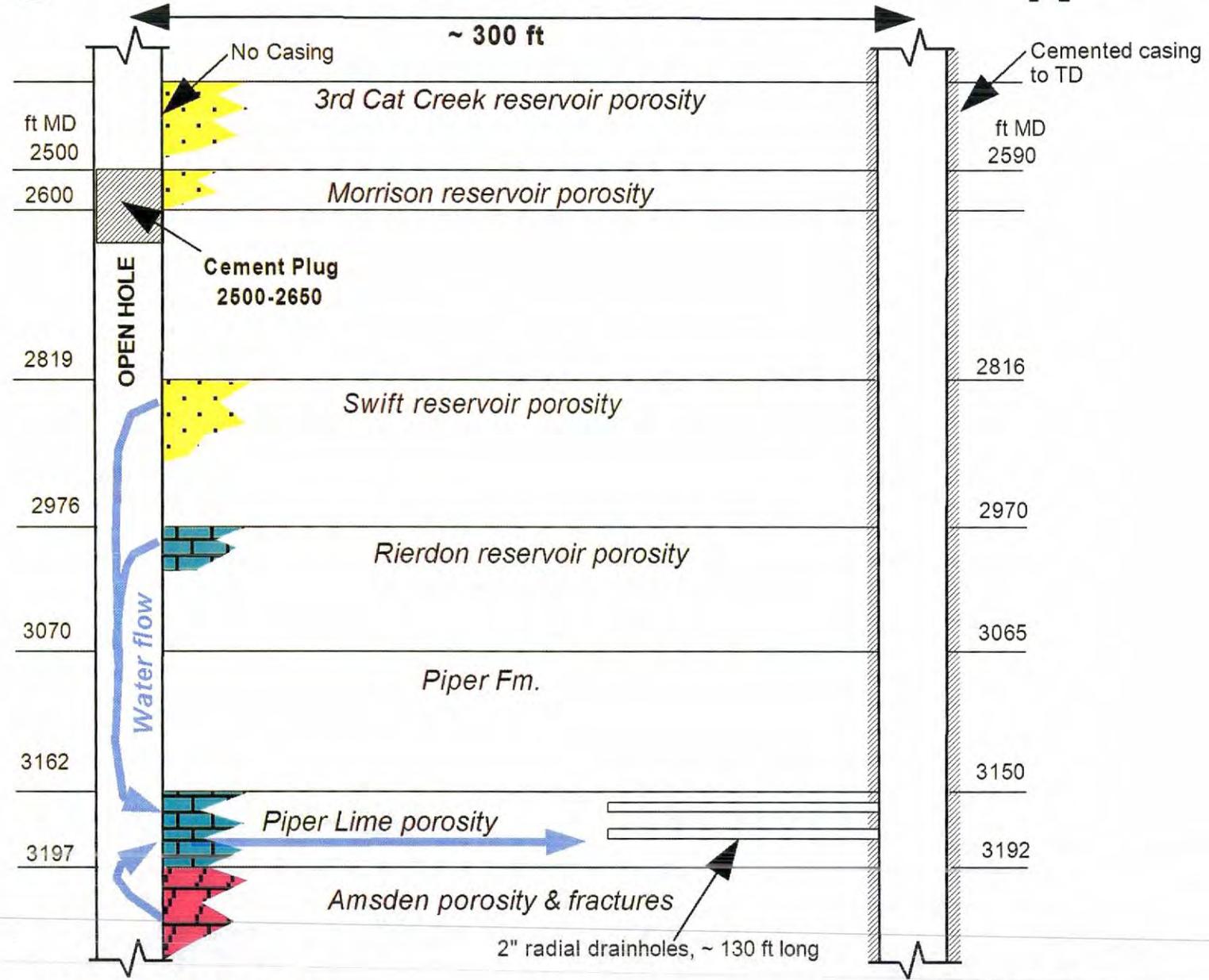
- Antelope Resources
- ConocoPhillips lease
- Cirque farmout



Bailee-1

### Well schematic - not scale SE/SE 18-T11N-R28E

Bailee-2



ft MD  
2500

2600

2819

2976

3070

3162

3197

Tyler @ 3460 TD

ft MD  
2590

2816

2970

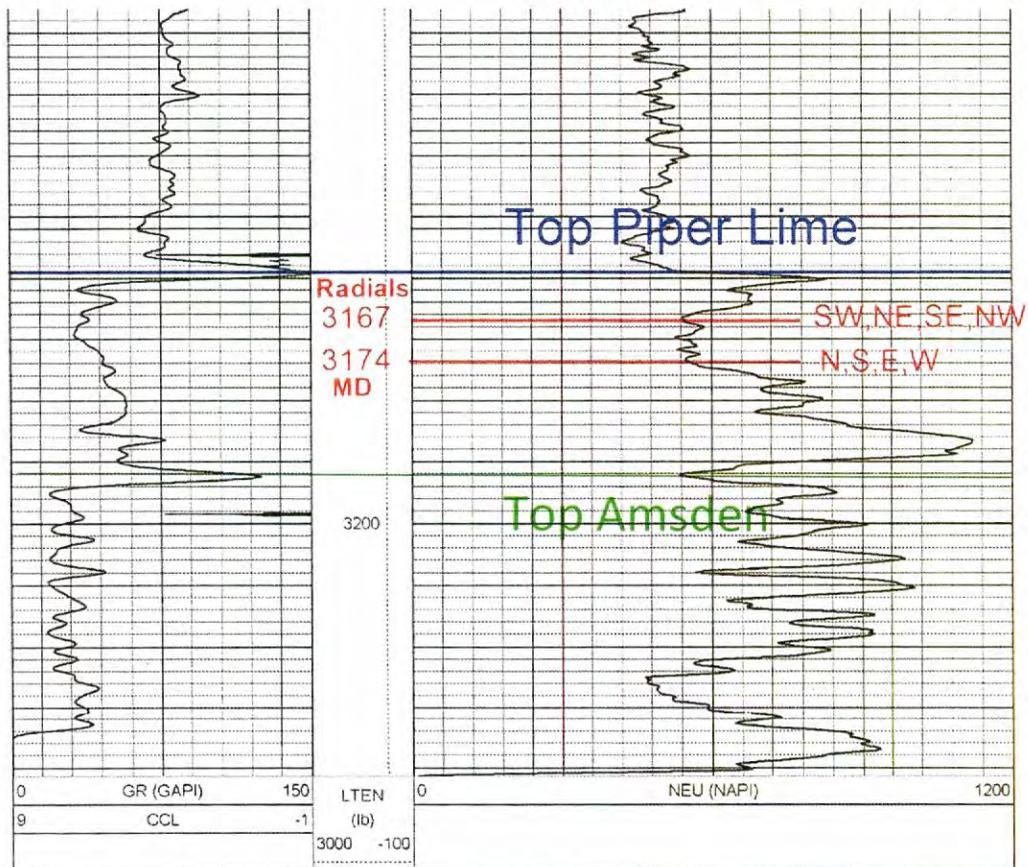
3065

3150

3192

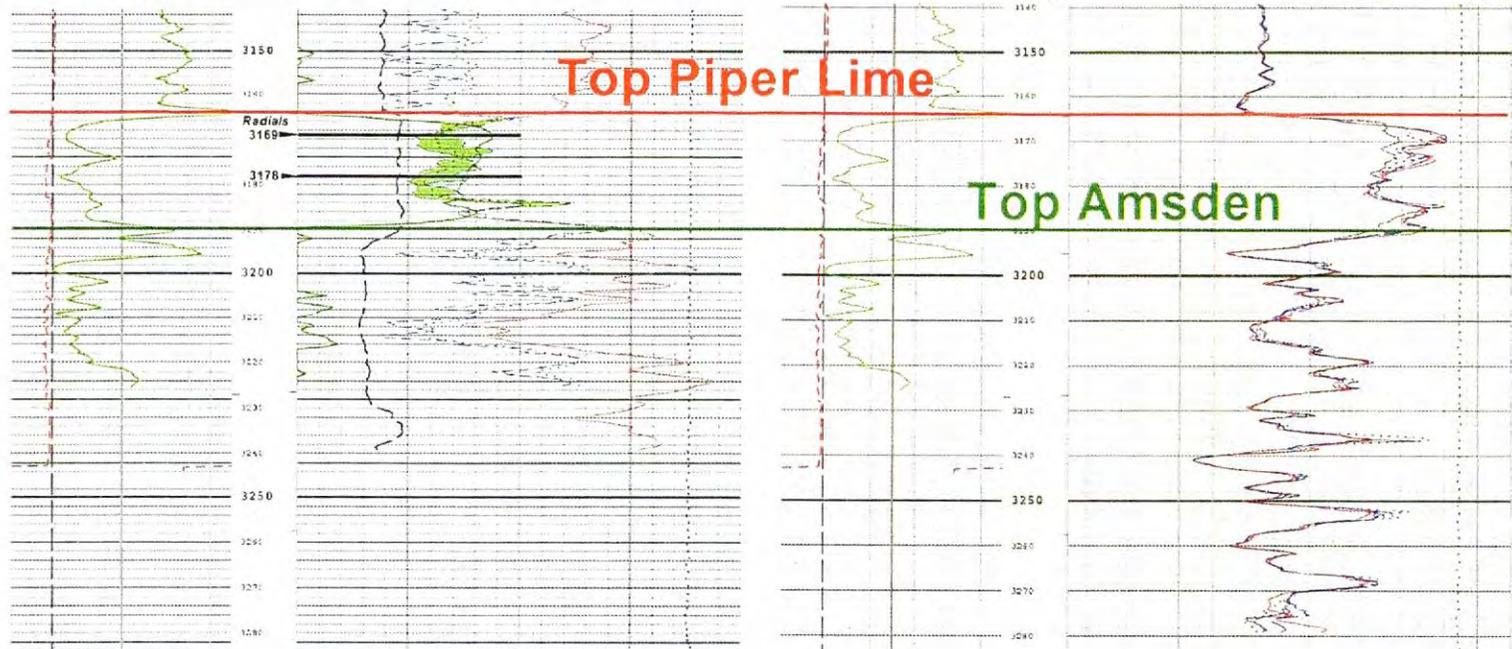
Amsden @ TD 3293

# Antelope Resources Bailee-2 Porosity Log



 <p><b>PIONEER</b> Pioneer Energy Services</p>	Company	Antelope Resources/ JP 2
	Well	Bailee #2
	Field	Wildcat
	County	Musselshell
	State	Montana

# Antelope Resources Lida Kluzek-2, Porosity & Resistivity Logs



Top Piper Lime

Top Amsden

0.3	BT (BT)	0.3

Standard Resolution Density Porosity (SRPHO) HDRS-II	
0.3	BT (BT)
Enhanced Thermal Neutron Porosity in Selected Lithology (NPOR) HDRS-II	
0.3	BT (BT)
Cycloidal Compensated Neutron Density (PCND)	
0.3	BT (BT)
Standard Resolution Photoelectric Factor (PEF) (Z) HDRS-II	
0	BT (BT)
Cable Tension (TENS)	
10000	BT (BT)
Water Saturation (SW)	
1	BT (BT)

Caliper (CAL) HDRS-II	
15	BT (BT)
Bit Size (BS)	
6	BT (BT)
Gamma Ray (GR) HDRS-II	
0	BT (BT)

Array Induction Two Foot Resistivity A10 (AT10) AIT-M	
0.2	ohm.m
Array Induction Two Foot Resistivity A20 (AT20) AIT-M	
0.2	ohm.m
Array Induction Two Foot Resistivity A30 (AT30) AIT-M	
0.2	ohm.m
Array Induction Two Foot Resistivity A60 (AT60) AIT-M	
0.2	ohm.m
Array Induction Two Foot Resistivity A90 (AT90) AIT-M	
0.2	ohm.m
Cable Tension (TENS)	
10000	BT (BT)

TIME 1900 Time Marked every 60.00 (s)





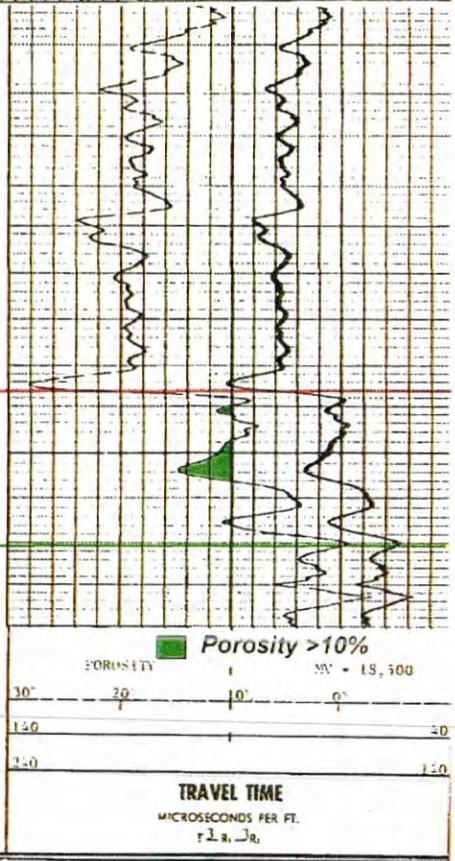
COMPENSATED  
ACOUSTIC VELOCITY  
LOG

COMPANY GAS PRODUCING ENTERPRISES, INC.  
WELL 17-11-28 BN  
FIELD HOWARD COLLEE AREA  
COUNTY MUSSELSHILL STATE MISSOURI  
Location SW-34 13 18N. 18E.1E.

Permeation Datum: HOWARD LEVEL Elev. 324.8'  
Date Measured From: KELLY BISHOPSE (M) Above Perm. Datum Elev. 64.373.8'  
Drilling Measured From: KELLY BISHOPSE Elev. 01.124.8'

DATE 6-10-75  
TURN No. 006  
DEPTH-Driller 1700'  
DEPTH-Weiler 1697'  
FORM Log Meter 10587  
LOG Log Meter 2100'  
Casing-Weiler 211' @  
Casing-Weiler 7 1/4" @  
BIT Size 7 1/8"  
Type Fluid in Hole WATER BASE

Drain. Visc. 3.1 cP @ 100'  
pH Fluid Loss 9.5 1.1 @ 100'  
Source of Sample N. 100' @ 100'  
Time Since Dr. 24 HOURS  
Max. Rec. Temp. 111°F @ 110'  
Equip. Location 111°F @ 110'  
Recorded by W. J. BERKMAN



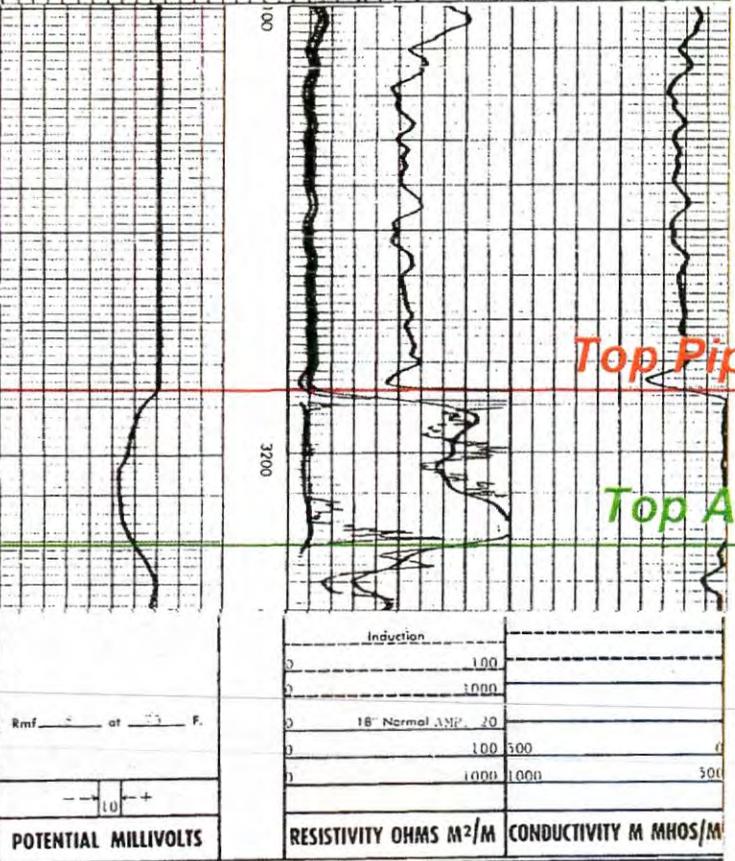
INDUCTION - ELECTRIC  
LOG

COMPANY GAS PRODUCING ENTERPRISES, INC.  
WELL 17-11-28 BN  
FIELD HOWARD COLLEE AREA  
COUNTY MUSSELSHILL STATE MISSOURI  
Location SW-34 13 18N. 18E.1E.

Permeation Datum: HOWARD LEVEL Elev. 324.8'  
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Time Since Dr. 24 HOURS  
Max. Rec. Temp. 111°F @ 110'  
Equip. Location 111°F @ 110'  
Recorded by W. J. BERKMAN



Dresser Atlas

BHC  
Acoustilog

FILE NO. \_\_\_\_\_

COMPANY AL-AQUITANE ENTERPRISES  
GAS PRODUCING-ENTREPRIZES  
AL-AQUITANE EXPLOITATION S.L.U.

WELL 18-11-28 KLUZEK #1  
HOWARD COULTEE

COUNTY RUSSELLSHI USTATE  
MONTANA

LOCATION SW - SE  
660' FSL  
1980' FEL

SEC 18 TWP 11R RGE 28E

Permanenceum C-1  
Log Measured from K-B  
Dialing Measured from K-B

Flow 3258  
Fl Above Permanent Datum 3258  
OK 3258

Location  
NO 3268  
OK 3258

Date 10-11-77

Depth-Diver 3620  
Depth-Log 3615  
Bottom Logged Interval 207  
Top Logged Interval 9.58 @ 216  
Casing-Log 207  
Casing-Diver 7.7/8"

Bit Size 7.7/8"  
Type Fluid-In-Hole AWD GEL

Drilling and Velocity  
Drill Rate 9.9 @ 25  
Drill Fluid Loss 10.0 @ 3.64  
Stroke Length 4.5 @ 31.1  
Drill Pipe 1.0 @ 21  
Line @ Mass Temp 0.9 @ 21  
Source of fluid and time MEAS/MEAS  
Time Since Circ NA  
Max Rec Temp 2.5 HOURS  
Temp at Log Location 60781 ELITE  
DPR APPROVALIST

Dresser Atlas

Production  
Technology

FILE NO. \_\_\_\_\_

COMPANY GAS PRODUCING ENTERPRISES  
AL-AQUITANE EXPLOITATION LTD.

WELL 18-11-28 KLUZEK #1  
HOWARD COULTEE

COUNTY RUSSELLSHI USTATE  
MONTANA

LOCATION SW - SE  
660' FSL  
1980' FEL

SEC 18 TWP 11R RGE 28E

Permanenceum C-1  
Log Measured from K-B  
Dialing Measured from K-B

Flow 3258  
Fl Above Permanent Datum 3258  
OK 3258

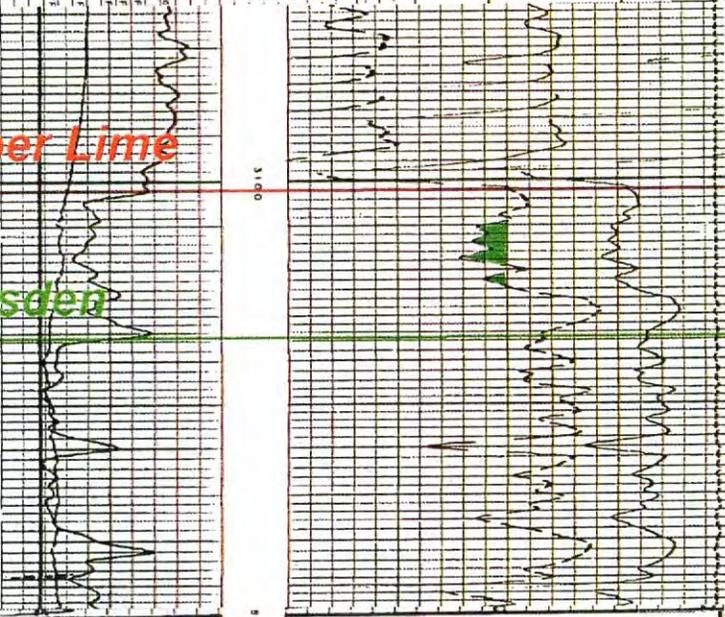
Location  
NO 3268  
OK 3258

Date 10-11-77

Depth-Diver 3620  
Depth-Log 3615  
Bottom Logged Interval 207  
Top Logged Interval 9.58 @ 216  
Casing-Log 207  
Casing-Diver 7.7/8"

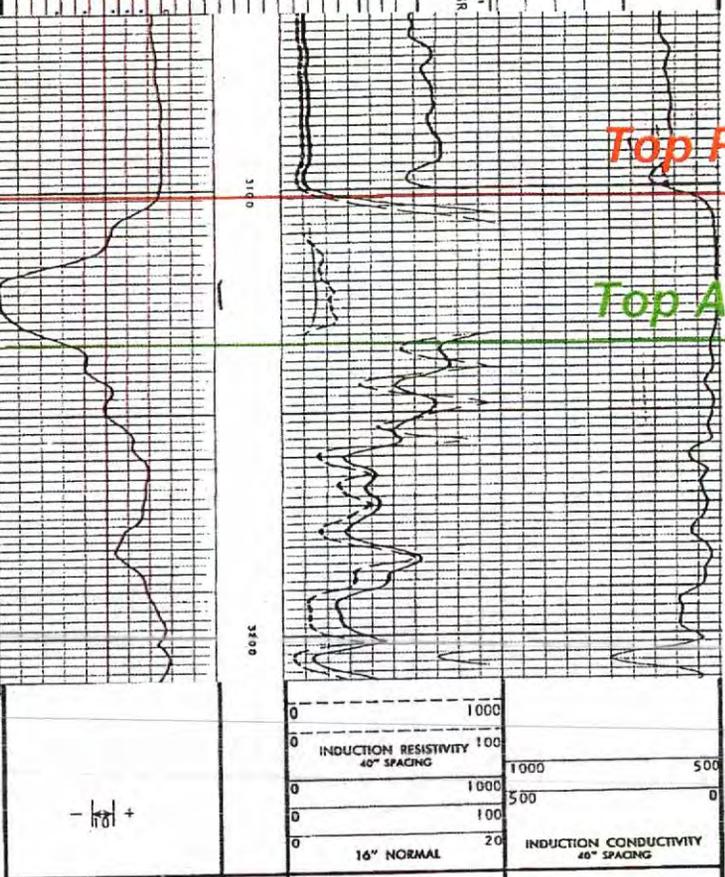
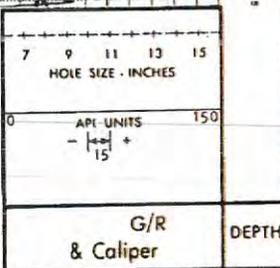
Bit Size 7.7/8"  
Type Fluid-In-Hole AWD GEL

Drilling and Velocity  
Drill Rate 9.9 @ 25  
Drill Fluid Loss 10.0 @ 3.64  
Stroke Length 4.5 @ 31.1  
Drill Pipe 1.0 @ 21  
Line @ Mass Temp 0.9 @ 21  
Source of fluid and time MEAS/MEAS  
Time Since Circ NA  
Max Rec Temp 2.5 HOURS  
Temp at Log Location 60781 ELITE  
DPR APPROVALIST



Top Piper Lime

Top Amsden



16" NORMAL

INDUCTION CONDUCTIVITY  
40" SPACING





<b>REVENUE INTO STATE SPECIAL REVENUE ACCOUNT 12/10/13</b>			
	FY 14	FY 13	Percentage FY14:FY13
Oil Production Tax	1,077,021	1,858,828	0.58
Gas Production Tax	87,518	151,953	0.58
Drilling Permit Fees	21,875	68,400	0.32
UIC Permit Fees	200	225,200	
Interest on Investments	1,776	6,239	0.28
Copies of Documents	3,306	6,754	0.49
Miscellaneous Reimbursemts		14,395	
<b>TOTALS</b>	<b>\$ 1,191,697</b>	<b>\$ 2,331,769</b>	<b>0.51</b>

<b>REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 12/10/13</b>	
	FY14
Transfer in from Orphan Share	0
RIT Interest	0
Bond Forfeitures	50,000
Interest on Investments	<u>252</u>
<b>TOTAL</b>	<b>\$ 50,252</b>

<b>REVENUE INTO GENERAL FUND FROM FINES as of 12/10/13</b>		
		FY 14
Hofland James D	7/5/2013	200
Hawley Oil LLP	7/15/2013	220
Denmark Resources Inc.	7/16/2013	70
Hawley Oil	7/16/2013	30
Montana Resources Mgmt	7/19/2013	60
Slohcin Inc.	7/31/2013	60
Glen Habets	8/23/2013	70
Colby Branch	9/25/2013	60
Buckley Production	9/25/2013	10
Longshot Oil LLC	10/1/2013	60
Bensun Energy	10/15/2013	140
Denbury	11/15/2013	<u>2000</u>
<b>TOTAL</b>		<b>\$ 2,980.00</b>

<b>BOND FORFEITURES AS OF 12/10/13</b>	
<b>Go into Damage Mitigation Account</b>	
Native American Energy Group	50,000
None	

<b>Investment Account Balances - 12/10/13</b>	
Regulatory Account (02432)	3,148,520
Damage Mitigation Account (02010)	471,534

<b>GRANT BALANCES - 12/10/13</b>			
<u>Name</u>	<u>Authorized Amt*</u>	<u>Expended</u>	<u>Balance</u>
2009 Northern RIT 10-8697	322,236	203,066	119,170
2009 Southern RIT 108698	315,219	170,632	144,587
2007 Tank Battery RIT 10-8711	304,847	304,847	0
2011 Southern - Tank Battery2 RIT 12-8723 ✓	204,951	108,493	96,458 ✓
2011 Northern/Eastern RIT 13-8753	332,642	0	332,642
2011 Eastern RIT 13-8752	318,498	0	318,498
* includes match requirement for grant			
<b>TOTALS</b>	<b>\$1,798,393</b>	<b>\$787,038</b>	<b>\$1,011,355</b>

<b>CONTRACT BALANCES - 12/10/13</b>				
HydroSolutions - EPA Primacy Class VI Injection	57,156	15,991	41,165	exp 5-31-14
MT Tech - Procedures Manual/Field Inspection System	32,699	4,946	27,753	exp 3-30-14
MT Tech - Survey of Native Proppant (SNaP)	383,101	78,382	304,719	exp 9-30-15 ✓
MT Tech - Elm Coulee EOR Study	863,905	236,646	627,259	exp 12-31-17 ✓
Automated Maintenance Services, Inc. FY14	21,848	8,320	13,528	exp 6-30-14
Agency Legal Services - Legal	60,000	19,048	40,952	exp 6-30-14
Central Avenue Mall FY 14	400	400	0	automatically renewable
Liquid Gold Well Service, Inc. - 09 Northern	179,941	176,458	3,483	exp 12-31-13
Liquid Gold Well Service, Inc. - 09 Southern	185,059	185,059	0	exp 12-31-13
C-Brewer - 07 & 11 Southern Tank Battery	424,650	413,175	11,475	exp 12-31-13 ✓
Liquid Gold Well Service - 11 Eastern	201,459	0	201,459	exp 6/30/14
Liquid Gold Well Service -- 11 Northern/Eastern	201,325	0	201,325	exp 6/30/14
Frontier Fence Co - Billings Gate	12,500	12,500	0	done
MT Fish, Wildlife and Parks	37,500	0	37,500	exp 1-31-14
Teachers Workshop 2014 and 2015	96,000	0	96,000	exp 7/31/15
<b>TOTALS</b>	<b>2,757,543</b>	<b>1,150,924</b>	<b>1,606,619</b>	

Agency Legal Services Expenditures in FY14		
Case	Amt Spent	Last Svc Date
BOGC Duties	19,048	11-2013

	FY 13	FY 12
	24,166	32,162

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

10/8/2013 Through 12/10/2013

### Approved

American Midwest Oil & Gas Corp. Billings MT	744 G4	Approved Amount: Purpose:	12/5/2013 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Western Security Bank		
American Midwest Oil & Gas Corp. Billings MT	744 G3	Approved Amount: Purpose:	12/5/2013 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Western Security Bank		
American Midwest Oil & Gas Corp. Billings MT	744 G2	Approved Amount: Purpose:	12/5/2013 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00 Western Security Bank		
Antelope Resources, Inc. Billings MT	365 T2	Approved Amount: Purpose:	10/29/2013 \$1,500.00 UIC Single Well Bond
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		
Great Plains Energy, Inc. Lincoln NE	753 G1	Approved Amount: Purpose:	10/18/2013 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		
James G. Seymour Cut Bank MT	752 L1	Approved Amount: Purpose:	10/17/2013 \$31,500.00 Limited Bond
Certificate of Deposit	\$31,500.00 Bank of Glacier County		
Long Rider, LLC Great Falls MT	751 G1	Approved Amount: Purpose:	10/11/2013 \$5,000.00 Single Well Bond
Surety Bond	\$5,000.00 Lexon Insurance Company		
MCR, LLC Shelby MT	399 T6	Approved Amount: Purpose:	11/27/2013 \$5,000.00 UIC Single Well Bond
Certificate of Deposit	\$5,000.00 FIRST STATE BANK OF SHELBY		
Minuteman Exploration, LLC Tulsa OK	756 M1	Approved Amount: Purpose:	12/10/2013 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00 Liberty Mutual Insurance Company		
Northern Oil Production, Inc. Bozeman MT	5421 T6	Approved Amount: Purpose:	11/26/2013 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		

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

10/8/2013 Through 12/10/2013

### Approved

Rim Operating, Inc. Englewood CO	212 T2	Approved Amount: Purpose:	11/13/2013 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 Argonaut Insurance Company		
Rim Operating, Inc. Englewood CO	212 T3	Approved Amount: Purpose:	11/13/2013 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 Argonaut Insurance Company		
Rim Operating, Inc. Englewood CO	212 T4	Approved Amount: Purpose:	11/13/2013 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 Argonaut Insurance Company		
Rim Operating, Inc. Englewood CO	212 T5	Approved Amount: Purpose:	11/13/2013 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 Argonaut Insurance Company		
Synergy Offshore LLC Houston TX	662 V1	Approved Amount: Purpose:	10/31/2013 \$314,375.00 UIC Blanket Bond
Certificate of Deposit	\$314,375.00 FIRST STATE BANK OF SHELBY		
Synergy Offshore LLC Houston TX	662 M2	Approved Amount: Purpose:	10/31/2013 \$125,000.00 Multiple Well Bond
Certificate of Deposit	\$125,000.00 FIRST STATE BANK OF SHELBY		
Tanglewood Oil & Gas, LLC Calgary AB	681 L1	Approved Amount: Purpose:	10/28/2013 \$3,000.00 Limited Bond
Certificate of Deposit	\$3,000.00 FIRST STATE BANK OF SHELBY		
Tanglewood Oil & Gas, LLC Calgary AB	681 G2	Approved Amount: Purpose:	11/1/2013 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00 FIRST STATE BANK OF SHELBY		
Tanglewood Oil & Gas, LLC Calgary AB	681 G1	Approved Amount: Purpose:	11/1/2013 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00 FIRST STATE BANK OF SHELBY		
Three Forks Resources, LLC Denver CO	593 G5	Approved Amount: Purpose:	10/10/2013 \$1,500.00 Single Well Bond
Surety Bond	\$1,500.00 Lexon Insurance Company		

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

10/8/2013 Through 12/10/2013

**Approved**

Three Forks Resources, LLC Denver CO	593 G6	Approved Amount: Purpose:	11/29/2013 \$10,000.00 Single Well Bond
Surety Bond	\$10,000.00 Lexon Insurance Company		
Three Forks Resources, LLC Denver CO	593 G7	Approved Amount: Purpose:	11/29/2013 \$10,000.00 Single Well Bond
Surety Bond	\$10,000.00 Lexon Insurance Company		

**Bond Increase**

Chaco Energy Company Denver CO	125 L1	Bond Increase Amount: Purpose:	11/22/2013 \$30,000.00 Limited Bond
Surety Bond	\$25,000.00 Bond Safeguard Insurance Company		
Surety Bond	\$30,000.00 American Safety Casualty Insurance Company		
Whiting Oil and Gas Corporation Denver CO	404 U1	Bond Increase Amount: Purpose:	11/25/2013 \$50,000.00 UIC Limited Bond
Surety Bond	\$60,000.00 RLI INSURANCE COMPANY		

**Forfeited**

Native American Energy Group, Inc. Forest Hills NY	472 M1	Forfeited Amount: Purpose:	11/21/2013 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00 U.S. Specialty Insurance Co.		

**Released**

Dry Coulee Oil & Gas Company Oilmont MT	2072 L1	Released Amount: Purpose:	12/10/2013 \$25,000.00 Limited Bond
Certificate of Deposit	\$25,000.00 1ST STATE BANK - SHELBY		
Petroleum, Inc. Mohall ND	6020 B1	Released Amount: Purpose:	11/19/2013 \$10,000.00 Blanket Bond
Surety Bond	\$10,000.00 ST.PAUL FIRE & MARINE INS. CO.		
Shay, C.W. Kevin MT	6885 B1	Released Amount: Purpose:	11/22/2013 \$9,635.00 Limited Bond
Surety Bond	\$9,635.00 TRAVELERS CASUALTY & SURETY CO. OF AMERICA		
Synergy Offshore LLC Houston TX	662 M1	Released Amount: Purpose:	10/31/2013 \$50,000.00 Multiple Well Bond
Certificate of Deposit	\$50,000.00 FIRST STATE BANK OF SHELBY		

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

10/8/2013 Through 12/10/2013

### Released

Synergy Offshore LLC Houston TX	662 U1	Released Amount: Purpose:	10/31/2013 \$50,000.00 UIC Limited Bond
Certificate of Deposit	\$50,000.00 FIRST STATE BANK OF SHELBY		
Targe Energy Exploration and Production, LLC Denver CO	541 G7	Released Amount: Purpose:	11/1/2013 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00 FIRST STATE BANK OF SHELBY		
Targe Energy Exploration and Production, LLC Denver CO	541 G2	Released Amount: Purpose:	11/1/2013 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00 FIRST STATE BANK OF SHELBY		
Targe Energy Exploration and Production, LLC Denver CO	541 G11	Released Amount: Purpose:	11/1/2013 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 FIRST BANK OF SHELBY		
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		
Targe Energy Exploration and Production, LLC Denver CO	541 G10	Released Amount: Purpose:	11/1/2013 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		

Docket Summary

12/12/2013 Hearing

EXHIBIT 4

496-2013	Interstate Explorations, LLC	Vacate Order 92-1981 for spacing unit 14N-60E-29: SE/4, 32: NE/4. Temporary spacing unit, Red River Formation, 14N-60E-29: E/2, 660' setback from south and east line. Apply for permanent spacing within 90 days of successful completion.			<input type="checkbox"/>
497-2013	Statoil Oil & Gas LP	Permanent spacing unit, Bakken/Three Forks Formation, 28N-57E-22: all, 27: all (Nelson 27-22-1H).	Continued	TSU, Order 34-2011. Related Dockets 497, 498, and 499-2013 Continued, email recd 12/2/2013.	<input type="checkbox"/>
498-2013	Statoil Oil & Gas LP	Pool, permanent spacing unit, Bakken/Three Forks Formation, 28N-57E-22: all, 27: all (Nelson 27-22 1H). Non-joinder penalties requested.	Continued	Related Dockets 497, 498, and 499-2013 Continued, email recd 12/2/2013.	<input type="checkbox"/>
499-2013	Statoil Oil & Gas LP	Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 28N-57E-22: all, 27: all, 200' heel/toe, 500' lateral setback. Default request.	Continued	Related Dockets 497, 498, and 499-2013 Continued, email recd 12/2/2013.	<input type="checkbox"/>
500-2013	Energy Corporation of America	Protest by Carbon County Resource Council, permit to drill a well in 8S-23E-7: 741 FSL/805 FWL.	Dismissed	Dismissed -	<input type="checkbox"/>
501-2013	Kraken Oil & Gas LLC	Temporary spacing unit, Bakken/Three Forks Formation, 26N-51E-7: all, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Default		<input type="checkbox"/>
502-2013	Kraken Oil & Gas LLC	Temporary spacing unit, Bakken/Three Forks Formation, 26N-51E-29: all, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Default		<input type="checkbox"/>
503-2013	Kraken Oil & Gas LLC	Temporary spacing unit, Bakken/Three Forks Formation, 26N-51E-30: all, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Default		<input type="checkbox"/>
504-2013	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 19N-54E-17: S/2, 20: N/2 (Boje Farms 19-54-17D-20-1H).		Designated 640-acre statewide (horizontal) TSU comprised of same lands.	<input type="checkbox"/>
505-2013	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 19N-54E-21: W/2 (Olson 19-54-21B-2-1H).		Designated 320-acre statewide (horizontal) TSU comprised of same lands.	<input type="checkbox"/>
506-2013	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 19N-54E-18: E/2 (Walter Senner 19-54-18D-2-1).		Designated E/2 vertical TSU for depths below 11,000 feet; completed above 11,000 and statewide TSU would be 160-acres.	<input type="checkbox"/>
507-2013	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 19N-54E-2: SW/4, 3: SE/4 (Borntrager 2C-2-1).		Designated E/2 vertical TSU for depths below 11,000 feet; completed below 11,000'.	<input type="checkbox"/>
508-2013	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 19N-53E-2: NW/4, 3: NE/4 and 20N-53E-34: SE/4, 35: SW/4 (Austby 19-53-2B-34-1H).		Designated 640-acre statewide (horizontal) TSU comprised of same lands.	<input type="checkbox"/>

509-2013	EOG Resources, Inc.	Permanent spacing unit, Bakken/Three Forks Formation, 28N-59E-35: all, 36: all (Stateline 13-3635H).		TSU, Order 13-2012. Related Dockets 509, 510, and 511-2013.	<input type="checkbox"/>
510-2013	EOG Resources, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 28N-59E-35: all, 36: all (Stateline 13-3635H). Non-consent penalties requested.		Related Dockets 509, 510, and 511-2013.	<input type="checkbox"/>
511-2013	EOG Resources, Inc.	Authorization an additional Bakken/Three Forks well, permanent spacing unit, 28N-59E-35: all, 36: all, 200' heel/toe, 500' lateral setback. Default request.		Related Dockets 509, 510, and 511-2013.	<input type="checkbox"/>
512-2013	MCR, LLC	Protest by Grammer Oil and Gas LLC, Class II enhanced recovery permit, Swift Formation, Federal 1-12, 37N-4E-12: 330 FSL/2130 FEL (SWSE), API #051-05460.	<b>Protested</b>	Area Injection Permit, Order 8-1999. Whitlash East (State) Swift Sand Unit.	<input checked="" type="checkbox"/>
513-2013	Vector Energy Corporation	Vacate Waterflood approval, Ragged Point Tyler A Unit, Order 35-1965, 11N-30E-8: E/2NE/4, SE/4, 9: all, 10: W/2SW/4, SE/4SW/4, 15: NW/4NW/4, 16: N/2N/2.			<input type="checkbox"/>
514-2013	Vector Energy Corporation	Amend Order 8-1959 to vacate spacing, Tyler Formation, 11N-30E-9: all, 330' setback from section boundaries.			<input type="checkbox"/>
515-2013	Thor Resources USA, LLC	Temporary spacing unit, Nisku Formation, 34N-2W-29: W/2NWNW, NWSWNW, 30: S/2SENE, SENWNE, S/2NE, NENENE, S/2NENE, E/2NWSW, NESW, NESWSW, NWSESW, N/2NWSE, SWNWSE, well to be located approximately 505' FNL/784' FWL in Sec. 29, PBHL: 1544' FSL/1139' FWL in Sec. 30, 330' setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	<b>Default</b>	Nisku - subject to statewide rule.	<input type="checkbox"/>
516-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-54E-34: all (Williamson 1-34H).		Statewide w/ 200' toe/heel by Order 72-2013.	<input type="checkbox"/>
517-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-54E-27: all (Blount 1-27).		Statewide w/ 200' toe/heel by Order 193-2013.	<input type="checkbox"/>
518-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 26N-56E-14: all, 23: all (Mabel 1-14H).		Special Statewide Spacing (380-2011). Related Dockets 518 and 519-2013.	<input type="checkbox"/>
519-2013	Continental Resources Inc	Authorization to drill up to three additional Bakken/Three Forks wells, permanent spacing unit, 26N-56E-14: all, 23: all, 200' heel/toe, 500' lateral setback.		Related Dockets 518 and 519-2013.	<input type="checkbox"/>
520-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-53E-24: all (Odair 1-24H).		Statewide w/ 200' toe/heel by Order 189-2013. Related Dockets 520 and 521-2013.	<input type="checkbox"/>
521-2013	Continental Resources Inc	Authorization to drill up to three additional Bakken/Three Forks wells, permanent spacing unit, 23N-53E-24: all, 200' heel/toe, 660' lateral setback.	<b>Withdrawn</b>	Related Dockets 518 and 519-2013. Withdrawn, ltr dated 12/5/2013.	<input type="checkbox"/>

522-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 27N-56E-29: all, 32: all (Mulholland Federal 1-32H).		<i>Special statewide spacing (Order 380-2011).</i> <i>Related Dockets 522, 523-2013.</i>	<input type="checkbox"/>
523-2013	Continental Resources Inc	Authorization to drill up to three additional Bakken/Three Forks wells, permanent spacing unit, 27N-56E-29: all, 32: all, 200' heel/toe, 500' lateral setback.		<i>Related Dockets 522, 523-2013.</i>	<input type="checkbox"/>
524-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-54E-30: all (Mifflin 1-30H).		<i>Statewide with 200' toe/heel (Order 190-2013).</i> <i>Related Dockets 524, 525-2013.</i>	<input type="checkbox"/>
525-2013	Continental Resources Inc	Authorization to drill up to three additional Bakken/Three Forks wells, permanent spacing unit, 23N-54E-30: all, 200' heel/toe, 660' lateral setback.		<i>Related Dockets 524, 525-2013.</i>	<input type="checkbox"/>
526-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 26N-53E-6: all, 7: all (Parson Federal 1-6H).		<i>TSU, Order 364-2011.</i> <i>Related Dockets 526, 527-2013.</i>	<input type="checkbox"/>
527-2013	Continental Resources Inc	Authorization to drill up to three additional Bakken/Three Forks wells, permanent spacing unit, 26N-53E-6: all, 7: all, 200' heel/toe, 500' lateral setback.		<i>Related Dockets 526, 527-2013.</i>	<input type="checkbox"/>
528-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-55E-22: all, 23: all, 26: all, 27: all (Lucille/Reimann HSU).		<i>Overlapping TSU, Order 341-2008.</i>	<input type="checkbox"/>
529-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-55E-10: all, 11: all, 14: all, 15: all (Ardelle/Staci HSU).		<i>Overlapping TSU, Order 280-2008.</i>	<input type="checkbox"/>
530-2013	Continental Resources Inc	Overlapping temporary spacing unit, Bakken/Three Forks Formation, 24N-56E-32: all, 33: all and 23N-56E-4: all, 5: all, 200' heel/toe, 500' common boundary, 660' exterior setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	<b>Continued</b>	<i>PSU, Sections 5 &amp; 32 - Order 440-2005.</i> <i>PSU, Sections 4 &amp; 33 - Order 210-2004.</i> <i>Continued to February, ltr dated 11/22/2013.</i>	<input type="checkbox"/>
531-2013	Continental Resources Inc	Overlapping temporary spacing unit, Bakken/Three Forks Formation, 23N-56E-10: all, 11: all, 14: all, 15: all, 200' heel/toe, 500' common boundary, 660' exterior setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	<b>Continued</b>	<i>PSU, Sections 10 &amp; 15 - Order 290-2004</i> <i>PSU, Sections 11 &amp; 14 - Order 307-2003</i> <i>Continued to February, ltr dated 11/22/2013.</i>	<input type="checkbox"/>
532-2013	Continental Resources Inc	Temporary spacing unit, Winnipeg Formation, 25N-55E-8: NE/4, 9: NW/4, 300' south/east setback, 660' north/west setback. Apply for permanent spacing within 90 days of successful completion. Default request.	<b>Continued</b>	<i>Hear - 300' setback.</i> <i>Continued to February, ltr dated 11/22/2013.</i>	<input checked="" type="checkbox"/>
533-2013	Continental Resources Inc	Authorization to drill an additional Red River Formation well, permanent spacing unit, 25N-55E-8: NE/4, 9: NW/4, 300' south/east setback, 660' north/west setback. Default request.	<b>Continued</b>	<i>Hear - 300' setback.</i> <i>Continued to February, ltr dated 11/22/2013.</i>	<input checked="" type="checkbox"/>
534-2013	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-8: S/2, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	<b>Continued</b>	<i>Hear - 200' setback</i> <i>Continued to February, ltr dated 11/22/2013.</i>	<input checked="" type="checkbox"/>

535-2013	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-16: W/2, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Continued	Hear - 200' setback. Continued to February, ltr dated 11/22/2013.	<input checked="" type="checkbox"/>
536-2013	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-29: E/2, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Continued	Hear - 200' setback. Continued to February, ltr dated 11/22/2013.	<input checked="" type="checkbox"/>
537-2013	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-14: S/2, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Continued	Hear - 200' setback. Continued to February, ltr dated 11/22/2013.	<input checked="" type="checkbox"/>
538-2013	Continental Resources Inc	Temporary spacing unit, Red River Formation, 25N-55E-21: E/2SW/4, W/2SE/4, 28: E/2NW/4, W/2NE/4, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default request.	Continued	Hear - 200' setback. Continued to February, ltr dated 11/22/2013.	<input checked="" type="checkbox"/>
539-2013	Denbury Onshore, LLC	Exception to drill horizontal well, Red River Formation, Coral Creek Deep Unit; surface location: 6N-60E-2: SE/4 SW/4, PBHL: 7N-60E-35: SW/4SW/4 (670' FNUL/ 776' FEUL). Default request.	Default	Footage measurements from north and east unit boundary.	<input type="checkbox"/>
540-2013	Denbury Onshore, LLC	Exception to drill horizontal well, Red River Formation, Coral Creek Deep Unit; surface location: 7N-60E-34: NE/4SE/4, PBHL: 7N-60E-34: SW/4NE/4 (689' FNUL/710' FEUL). Default request.	Default	Footage measurements from north and east unit boundary.	<input type="checkbox"/>
541-2013	Justice SWD, LLC	Modification to Class II saltwater disposal permit, additional Dakota Formation perforations and perforate the Kibbey Formation, Christensen Trust 15-9 SWD (API #091-21814), 34N-57E-9: 660' FSL/ 1700' FEL (SW/4SE/4).	Default		<input type="checkbox"/>
476-2012	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-4: all, 9: all (Signal Butte Federal 2758 43-9H). Non-consent penalties requested.	Continued	PSU, Order 352-2012; additional wells, Order 353-2012. Continued, fax recd 12/3/2013.	<input type="checkbox"/>
736-2012	Oasis Petroleum, Inc.	Permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-27: all, 28: all (Betsy Federal 2758 24-29H).	Continued	TSU, Order 441-2011 - 1320/200. Related Dockets 736, 737, 738-2012. Continued, fax recd 12/3/2013.	<input type="checkbox"/>
737-2012	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-27: all, 28: all (Betsy Federal 2758 24-29H). Non-consent penalties requested.	Continued	Related Dockets 736, 737, 738-2012. Continued, fax recd 12/3/2013.	<input type="checkbox"/>
738-2012	Oasis Petroleum, Inc.	Exception to drill up to four additional wells, permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-27: all, 28: all, 200' heel/toe, 500' lateral setbacks. Default request.	Continued	Related Dockets 736, 737, 738-2012. Continued, fax recd 12/3/2013.	<input type="checkbox"/>
746-2012	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-29: all, 32: all (Piercy Federal 2758 13-5H). Non-consent penalties requested.	Continued	PSU, Order 608-2012, Additional wells, Order 609-2012. Continued, fax recd 12/3/2013.	<input type="checkbox"/>

174-2013	XTO Energy Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 28N-57E-35: all, 36: all (State 42X-36C). Non-consent penalties requested.	<b>Continued</b>	PSU, Order 128-2013; additional wells, Order 129-2013.  Continued, fax recd 12/3/2013.	<input type="checkbox"/>
345-2013	Statoil Oil & Gas LP	Permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-25: all, 26: all, 35: all, 36: all (Sundheim 26-35 #1-H and Sundheim 26-35 #2-H).		TSU, Order 188-2011, 2 wells authorized. Related Dockets 345, 346, 347, 348-2013.	<input type="checkbox"/>
346-2013	Statoil Oil & Gas LP	Pool, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-25: all, 26: all, 35: all, 36: all (Sundheim 26-35 #1-H). Non-joinder penalties requested.		Related Dockets 345, 346, 347, 348-2013.	<input type="checkbox"/>
347-2013	Statoil Oil & Gas LP	Pool, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-25: all, 26: all, 35: all, 36: all (Sundheim 26-35 #2-H). Non-joinder penalties requested.		Related Dockets 345, 346, 347, 348-2013.	<input type="checkbox"/>
348-2013	Statoil Oil & Gas LP	Exception to drill up to five additional wells, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-25: all, 26: all, 35: all, 36: all, 200' heel/toe, 500' lateral setbacks. Default request.		Related Dockets 345, 346, 347, 348-2013.	<input type="checkbox"/>
472-2013	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 23N-53E-34: all (Lepel 1-34H).		Statewide TSU, toe setback exception by Order 647-2012. Related Dockets 472, 473-2013. NOTICE OBJECTION - THOMAS HALVORSON	<input type="checkbox"/>
494-2013	Black Gold Energy Services Incorporated	Class II saltwater disposal permit, Dakota Formation, Briske 4-9H, 29N-58E-9: 300' FNL/300' FWL (NW/4NW/4), API #085-21709.			<input type="checkbox"/>
542-2013	Summer Night Oil Company, LLC	Show cause, failure to file production reports.			<input type="checkbox"/>

# ALL APPLICATIONS, 12/12/2013

(In Order of Publication)

Docket	Applicant	Status	Request
496-2013	Interstate Explorations, LLC		Temp. Spacing
497-2013	Statoil Oil & Gas LP	Continued	Spacing
498-2013	Statoil Oil & Gas LP	Continued	Pooling
499-2013	Statoil Oil & Gas LP	Continued	Well Density
500-2013	Energy Corporation of America	Dismissed	Protest
501-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
502-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
503-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
504-2013	Petro-Hunt, LLC		Spacing
505-2013	Petro-Hunt, LLC		Spacing
506-2013	Petro-Hunt, LLC		Spacing
507-2013	Petro-Hunt, LLC		Spacing
508-2013	Petro-Hunt, LLC		Spacing
509-2013	EOG Resources, Inc.		Spacing
510-2013	EOG Resources, Inc.		Pooling
511-2013	EOG Resources, Inc.		Well Density
512-2013	MCR, LLC	Protested	Protest
513-2013	Vector Energy Corporation		Vacate Field/Rule
514-2013	Vector Energy Corporation		Vacate Field/Rule
515-2013	Thor Resources USA, LLC	Default	Temp. Spacing
516-2013	Continental Resources Inc		Spacing
517-2013	Continental Resources Inc		Spacing
518-2013	Continental Resources Inc		Spacing
519-2013	Continental Resources Inc		Well Density
520-2013	Continental Resources Inc		Spacing
521-2013	Continental Resources Inc	Withdrawn	Well Density
522-2013	Continental Resources Inc		Spacing
523-2013	Continental Resources Inc		Well Density
524-2013	Continental Resources Inc		Spacing
525-2013	Continental Resources Inc		Well Density
526-2013	Continental Resources Inc		Spacing
527-2013	Continental Resources Inc		Well Density
528-2013	Continental Resources Inc		Spacing
529-2013	Continental Resources Inc		Spacing
530-2013	Continental Resources Inc	Continued	Temp. Spacing
531-2013	Continental Resources Inc	Continued	Temp. Spacing
532-2013	Continental Resources Inc	Continued	Well Density
533-2013	Continental Resources Inc	Continued	Well Density
534-2013	Continental Resources Inc	Continued	Temp. Spacing
535-2013	Continental Resources Inc	Continued	Temp. Spacing

536-2013	Continental Resources Inc	Continued	Temp. Spacing
537-2013	Continental Resources Inc	Continued	Temp. Spacing
538-2013	Continental Resources Inc	Continued	Temp. Spacing
539-2013	Denbury Onshore, LLC	Default	Exception - Drilling
540-2013	Denbury Onshore, LLC	Default	Exception - Drilling
541-2013	Justice SWD, LLC	Default	Class II Permit
476-2012	Oasis Petroleum, Inc.	Continued	Pooling
736-2012	Oasis Petroleum, Inc.	Continued	Spacing
737-2012	Oasis Petroleum, Inc.	Continued	Pooling
738-2012	Oasis Petroleum, Inc.	Continued	Well Density
746-2012	Oasis Petroleum, Inc.	Continued	Pooling
174-2013	XTO Energy Inc.	Continued	Pooling
345-2013	Statoil Oil & Gas LP		Spacing
346-2013	Statoil Oil & Gas LP		Pooling
347-2013	Statoil Oil & Gas LP		Pooling
348-2013	Statoil Oil & Gas LP		Well Density
472-2013	Continental Resources Inc		Spacing
494-2013	Black Gold Energy Services Incorporated		Class II Permit
542-2013	Summer Night Oil Company, LLC		Show-Cause

# APPLICATIONS TO HEAR, 12/12/2013

(In Order of Hearing)

Docket	Applicant	Status	Request
496-2013	Interstate Explorations, LLC		Temp. Spacing
504-2013	Petro-Hunt, LLC		Spacing
505-2013	Petro-Hunt, LLC		Spacing
506-2013	Petro-Hunt, LLC		Spacing
507-2013	Petro-Hunt, LLC		Spacing
508-2013	Petro-Hunt, LLC		Spacing
509-2013	EOG Resources, Inc.		Spacing
510-2013	EOG Resources, Inc.		Pooling
511-2013	EOG Resources, Inc.		Well Density
512-2013	MCR, LLC	Protested	Protest
513-2013	Vector Energy Corporation		Vacate Field/Rule
514-2013	Vector Energy Corporation		Vacate Field/Rule
516-2013	Continental Resources Inc		Spacing
517-2013	Continental Resources Inc		Spacing
518-2013	Continental Resources Inc		Spacing
519-2013	Continental Resources Inc		Well Density
520-2013	Continental Resources Inc		Spacing
522-2013	Continental Resources Inc		Spacing
523-2013	Continental Resources Inc		Well Density
524-2013	Continental Resources Inc		Spacing
525-2013	Continental Resources Inc		Well Density
526-2013	Continental Resources Inc		Spacing
527-2013	Continental Resources Inc		Well Density
528-2013	Continental Resources Inc		Spacing
529-2013	Continental Resources Inc		Spacing
472-2013	Continental Resources Inc		Spacing
345-2013	Statoil Oil & Gas LP		Spacing
346-2013	Statoil Oil & Gas LP		Pooling
347-2013	Statoil Oil & Gas LP		Pooling
348-2013	Statoil Oil & Gas LP		Well Density
494-2013	Black Gold Energy Services Incorporated		Class II Permit
542-2013	Summer Night Oil Company, LLC		Show-Cause

## DEFAULT DOCKET, 12/12/2013

Docket	Applicant	Status	Request
501-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
502-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
503-2013	Kraken Oil & Gas LLC	Default	Temp. Spacing
515-2013	Thor Resources USA, LLC	Default	Temp. Spacing
539-2013	Denbury Onshore, LLC	Default	Exception - Drilling
540-2013	Denbury Onshore, LLC	Default	Exception - Drilling
541-2013	Justice SWD, LLC	Default	Class II Permit



United States Department of the Interior  
Bureau of Indian Affairs  
Rocky Mountain Regional Office  
2021 4<sup>th</sup> Avenue North  
Billings, Montana 59101

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NOV 22 2013

IN REPLY REFER TO:  
Real Estate Services  
Code 428

NOV 20 2013

MONTANA BOARD OF OIL &  
GAS CONSERVATION • BILLINGS

MTM 68718X  
Tesoro Cut Bank Sand Unit

Mr. Mark Rievaj  
K2 America Corporation  
c/o Guardian Exploration Inc.  
620, 510 5th Street SW  
Calgary, Alberta T2P 3S2

Dear Mr. Rievaj:

We are in receipt of your letter dated September 5, 2013, in which you request approval for the voluntarily termination of the Tesoro Cut Bank Sand Unit located in Glacier County, Montana. The unit contains approximately 1,100-acres (54.46 percent) of Indian Tribal lands, and 920-acres (45.54 percent) of Private (Fee) lands, totaling 2,020-acres. The unit was originally approved effective June 23, 1971, as a secondary recovery unit for production in the Cut Bank Formation.

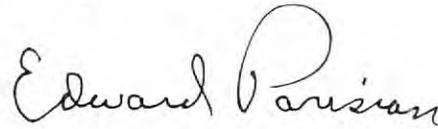
Article 22 of the unit agreement permits the unit to be voluntarily terminated by the Working Interest Owners, owning ninety percent (90%) or more of the participation percentage in the Unitized Land. The Working Interest Owners in your letter have been identified as being K2 America Corporation, the current unit operator, and the Blackfeet Tribe.

We are in receipt of Tribal Resolution EX305-2013, which states that the Blackfeet Tribe does not consent to have its surrendered lease tracts included within the Tesoro Cut Bank Sand Unit. And by signatures of Graydon Kowal, President K2 American Corp, and Willie A. Sharp, Jr., Chairman, Blackfeet Nation, on the "Cut Bank Sand Unit Termination Agreement", it shows that both parties jointly request that the Bureau of Indian Affairs terminate the Unit Agreement that has been in effect since 1971. Since 100 percent (100%) of the Working Interest Owners have complied with the provisions in Article 22; the unit is voluntarily terminated.

We will notify the appropriate Federal and Indian Offices of this voluntary termination. We request that you notify all other interested parties.

If you have any other questions, please contact Jana Waters, Realty Specialist, Bureau of Indian Affairs at (406) 247-7935 or the following Bureau of Land Management contacts Pascual "Pas" R. Laborda at (406) 896-5102, or Merry Prestridge at (406) 896-5026.

Sincerely,



Regional Director

cc:

Superintendent  
Blackfeet Agency  
Bureau of Indian Affairs  
P.O. Box 880  
Browning, Montana 59417

Mr. Pascual R. Laborda  
Bureau of Land Management  
5001 Southgate Drive  
Billings, Montana 59101-4996

Mr. Donato Judice  
Bureau of Land Management  
Great Falls Oil and Gas Field Office  
1101 15<sup>th</sup> Street North  
Great Falls, Montana 59403

✓ Mr. Thomas Richmond  
Montana Board of Oil and Gas Conservation  
2535 St. John's Avenue  
Billings, Montana 59102

Ms. Stacy Burkhardt  
Office of Natural Resources Revenue  
Doc Processing, Mail Stop 63230B  
P. O. Box 25627  
Denver, CO 80225-0627

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NOV 22 2013

MONTANA BOARD OF OIL &  
GAS CONSERVATION • BILLINGS

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

IN THE MATTER OF THE APPLICATION )  
OF TESORO PETROLEUM CORPORATION )  
FOR AN ORDER AUTHORIZING THE )  
INSTITUTION AND OPERATION OF A )  
WATERFLOOD PROJECT IN THE )  
TESORO CUT BANK SAND UNIT AREA, )  
GLACIER COUNTY, MONTANA. )

ORDER NO. 23-71

Docket No. 17-71 )

Report of the Commission

The above entitled cause came on regularly for hearing on the 15th day of July, 1971, at 9:00 o'clock A.M. in the Clark Room of the Colonial Motor Hotel, City of Helena, County of Lewis and Clark, State of Montana, pursuant to the order of the Oil and Gas Conservation Commission of the State of Montana, hereinafter referred to as the "Commission". At the commencement of the hearing, Commissioner Cox disqualified himself and took no further part in the proceedings or the Commission's deliberations in this matter. No one appeared at the hearing to object to or contest the said application.

Evidence was taken on behalf of the applicant, testimony was presented, statements and exhibits were received; and the Commission then took the cause under advisement.

NOW, on this 15th day of July, 1971, the Commission, a quorum being present, having fully considered the application and testimony and exhibits, and based on evidence presented at such hearing and all things and matters presented to it for its consideration in the matter, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Applicant gave due and proper notice of his intention to make such application by mailing notice to that effect to all persons then known to applicant as owning an interest in the oil and gas within the proposed unit area, and with each notice to the producers applicant enclosed a copy of his proposed plan of unit operations. Such application was filed on June 23, 1971; that no objections or complaints to said application were filed within ten days of the application as required by the rules and regulations of the Commission. Legal notice was published and given of this matter, of the hearing hereon, and of the time and place for such hearing as well as the purpose thereof. All parties were afforded ample opportunity to present evidence, oral and documentary.

2. Applicant is the owner of leasehold interests underlying 100% of the surface within the area delineated as the "Tesoro Cut Bank Sand Unit Area"; and he has applied to the Commission for an order providing for the unit operation of the Cut Bank Sand Unit within such delineated area, approving or prescribing a plan for unit operations thereof, approval of the unit agreement therefor, and authorization and approval of a waterflood injection program for secondary recovery.

3. The delineated "Tesoro Cut Bank Sand Unit Area" is composed of the following described lands situated in Glacier County, Montana:

Township 32 North, Range 6 West, M.P.M.

- Section 1: Lot 4, W $\frac{1}{2}$ SW $\frac{1}{4}$
- Section 2: Lots 1, 2, 3, 4, S $\frac{1}{2}$
- Section 3: S $\frac{1}{2}$
- Section 10: All
- Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$
- Section 12: NW $\frac{1}{4}$ NW $\frac{1}{4}$
- Section 14: NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$
- Section 15: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 22: N $\frac{1}{2}$ NW $\frac{1}{4}$

4. The waterflood project proposed is that of injecting water into the Cut Bank Sand underlying such unit area, which injection will be initially accomplished through nine input wells, the locations of which are specifically shown in the application and exhibits. The estimated amount of water to be injected daily will be approximately 10,700 barrels.

5. The primary energy of the reservoir has been substantially depleted, and secondary recovery by water injection is feasible and reasonably necessary to increase the ultimate recovery of oil and gas. The inauguration and conduct of a waterflood injection program such as that proposed by the applicant will result in the recovery of a substantial amount of additional oil which would otherwise remain in place.

6. In order to effectively and efficiently conduct waterflood operations within the delineated area, for pressure maintenance or secondary recovery purposes, there is need for the operation as a unit of the Cut Bank Sand formation or pool underlying the above described lands; and it is necessary that the interests of all owners in the oil and gas therein be unitized.

7. Evidence presented by applicant sufficiently showed that it was not possible to effect a wholly voluntary unitization of interests in said reservoir, and that the issuance of an order for the unit operation of that part of the pool within the delineated area is necessary under the provisions of Section 60-131.1 through Section 60-131.13 of the Revised Codes of Montana.

8. The value of the estimated additional recovery of oil less royalties exceeds the estimated additional cost incident to conducting such operations; and

9. The full areal extent of such pool has been reasonably defined and determined by drilling operations; and

10. Applicant's plan for unit operations, as presented at the hearing contains terms and conditions that are just and reasonable and includes the provisions that are required by Section 60-131.3 of the Revised Codes of Montana, as amended; and

11. The plan allocates to each tract in the unit area its fair share of the oil and gas produced from the unit area and not required or consumed in the conduct of the operation of the unit area or unavoidably lost. The Commission considered the relative value that such share of production bears to the relative value of all of the separately owned tracts in the unit area, exclusive of physical equipment utilized in unit operations. In so considering such relative value, the Commission weighed the economic value of the gas to all persons affected as compared to the economic value of the oil to all persons affected; and

12. Such plan for unit operations has been heretofore approved in writing by more than the requisite number of owners and persons, and by more than the requisite percentage of interests in the unit area, than the number or amount specified in Section 60-131.4 of the Revised Codes of Montana, as amended; and

13. The proposed unit, unit agreement, plan for unit operations, and waterflood injection program (secondary recovery) are in the public interest, and are in the interests of conservation of oil and gas and prevention of waste within the State of Montana.

Conclusions of Law

The Commission concludes, as a matter of law, that the application of Tesoro Petroleum Corporation should be granted as applied for.

Order

IT IS THEREFORE ORDERED by the Oil and Gas Conservation Commission of the State of Montana that the application of Tesoro Petroleum Corporation for an order providing for the operation as a unit of the "Tesoro Cut Bank Sand Unit Area", adopting and approving a plan of unit operations and approving a unit agreement therefor, and authorizing a waterflood injection program in said unit area is hereby granted as applied for. The Commission hereby adopts the plan for unit operations incorporated in the Unit Agreement and Unit Operating Agreement attached hereto and by this reference incorporated as a part hereof, and further approves such Unit Agreement and Unit Operating Agreement.

IT IS FURTHER ORDERED that applicant may drill additional oil or water source wells and may drill or utilize additional input wells and may convert any well to an input well as are necessary to operate said waterflood project without further notice and hearing, but subject to administrative authorization by this Commission for any such additional wells or well conversions within the unit area.

Done and performed by the Oil and Gas Conservation Commission of the State of Montana, at Helena, Montana, this 15th day of July, 1971.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF MONTANA

C. J. Iverson, Vice Chairman  
Raymond A. Grant, Commissioner  
Milton G. Anderson, Commissioner

(Seal)

ATTEST:

Norman J. Beaudry, Executive Secretary

## GRANT PROJECT SUMMARY: 2007, 2009, 2011, 2013

12-11-13

2007 & 2011 Southern Tank Battery Grant:

The analytical data from the last soil sampling came back in late October, it indicated that oil & grease concentrations were high in a few spots and further tilling of the landfarm needs to be done. C Brewer did not get the soils tilled again before soil freeze-up so it will need to be done in the spring and fertilized again to aid in the bioremediation process. There is now only \$11,474 left in the contract, the Budget Office has not yet approved moving the remaining grant balance of \$96,458 towards increasing the C-Brewer contract to finish the project. The ~~contract~~ <sup>grant</sup> has been extended until 10-31-14.

2009 Grants:

Northern: Project completed. \$119,169.97 unspent grant money left.

Southern: Project completed. \$144,586.56 unspent grant money left.  
Total of \$263,756 unspent grant money left.

Northern-Southern: A contract will be issued to Liquid Gold Well Service for \$263,756 to plug 18 prioritized wells off their original proposal at an estimated bid cost of \$257,699.25

2011 Grants:

Eastern: LGWS began plugging the first well on the project in October then pulled their crews and equipment off back to Cut Bank to meet the demands of service work for Synergy's new drilling program and the plugging of wells for Anschutz in Glacier County.

Northern-Eastern: LGWS will begin plugging the Northern wells(14) closer to Cut Bank over the next few months(winter), then will move back east to work on the others.

2013 Grant:

Not funded by legislature.

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

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

October 30, 2013

Jeff Avery  
Windy Butte Reclamation  
6950 92<sup>nd</sup> Ave. NW  
Powers Lake, ND 58773

Dear Mr. Avery:

This morning, a Board of Oil and Gas field inspector inspected the SWD 101 disposal well operated by Windy Butte Reclamation. He found the well injecting at a pressure of 1650 psi, which is over the permitted pressure of 1550 psi.

This is the 4<sup>th</sup> time within the past 16 months Windy Butte has been observed operating this well in violation of its permit.

The next meeting of the Board is on December 11, 2013. This situation will be brought to the Board's attention for enforcement action at that meeting.

You can contact me at (406) 656-0040 if you have any questions.

Sincerely,

Handwritten signature of George Hudak in cursive.

George Hudak  
UIC Director

cc: Plentywood Field Office