

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
August 13 & 14, 2014

CALL TO ORDER

The Board's business meeting convened at 2:00 p.m., Wednesday August 13, at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present: Chairman Linda Nelson, Ron Efta, John Evans, Jack King, Peggy Ames Nerud and Bret Smelser. Vice Chairman Wayne Smith was absent. Staff present was John Gizicki, Jim Halvorson, George Hudak, Ben Jones, Erin Ricci, Gary Klotz, Dave Popp and Rob Stutz.

Minutes – Motion by Mr. King, seconded by Mr. Efta and unanimously passed, to approve the minutes of the June 18, 2014, business meeting.

Public Comment

Robin Smith – Mrs. Smith is a member of the McFarland Home Owners Association located seven miles outside of Billings' city limits. She stated that thirteen parcels of land in Yellowstone County have been nominated for BLM Oil and Gas Lease Sale in October 2014. Currently, a state parcel which is located at Sec 16, T1N-R24, has already been leased in 2011. It is located adjacent to her and a neighbor homes. She feels if the state parcel is developed the well will likely be located within feet of her home because of restricted right of ways, and otherwise unfavorable terrain in the area. She is concerned if the well is drilled it will affect the water supply which is their only water source, decrease the property value of everyone in the neighborhood, and affect their quality of life. She, along with members of the Northern Plains Resource Council, ask that the State of Montana take a proactive approach for fair and just setback limits because the current rules and regulations do not protect people's right to a decent quality of life let alone there health and safety.

Mr. Smelser – Mr. Smelser asked her if she is asking the Board to initiate setbacks. Mrs. Smith said yes. It is her understanding that there are no setback limits from a well to a home. Mr. Smelser asked Mr. Halvorson if the Board could initiate setbacks or does it need to be done administratively. Mr. Halvorson stated the Board could propose rulemaking.

Chairman Nelson – Chairman Nelson asked Mrs. Smith if she had an idea what a fair setback would be. Mrs. Smith said since she is not aware of what setbacks are like in other states. it would be hard to give a number, but if she had to suggest a fair setback it would be the farthest setback possible from a home. Chairman Nelson said that the Board also has to consider the rights or mineral owners as well.

Mrs. Ames-Nerud – Mrs. Ames-Nerud asked Mr. Halvorson if there is a setback now for home owners. Mr. Halvorson replied there is not a setback, but there is a process and interested parties are able to protest. Mrs. Ames-Nerud asked Mr. Halvorson if there are spacing setbacks for government land. Mr. Halvorson said there is not. Those would be subject to legal subdivision boundaries. Mrs. Ames-Nerud asked what that setback is. Mr. Halvorson said that depends on spacing requirements set forth in rules that are based upon well drainage and development economics. Mr. Halvorson also said the Department of Natural Resources and Conservation (DNRC) Trust Lands Division (Trust Lands) is the final arbitrator

of where wells will be located on state lands. Their evaluation would include access roads and well locations.

Mr. King – Mr. King stated Trust Lands do have setbacks. Mr. Halvorson said he has seen mineral leases that included setbacks.

Chairman Nelson – Chairman Nelson asked Mr. Trudell from the Northern Eastern Montana Land and Mineral Owners Association (NEMLMOA) if this is something that is common in a lease. His response was most leases start with 200 feet and then they may change as more leases come up. A lot of the time people don't realize they could, or should have put that in the lease. Mr. Trudell suggested Mrs. Smith work with the State to resolve any issues. Chairman Nelson asked if the Board is interested in looking into setbacks rules.

Mr. Stutz – Mr. Stutz suggested that Mrs. Smith talk to Trevor Taylor of Trust Lands. Mrs. Smith said she was hoping the Board would look at a setback issue. She feels it is something the State should be looking at.

Mrs. Ames-Nerud – Mrs. Ames-Nerud asked what it would take to develop rules for setbacks. Chairman Nelson responded that the first step would have to be the Board passing a motion. Mr. Stutz responded that rule making takes some time. The Secretary of State office regulates this process. Mrs Ames-Nerud asked Mr. Taylor what the state setbacks are or do they vary. Mr. Taylor answered that the only setbacks he is aware of relate to seismic not drilling setbacks.

Motion: Mrs. Ames-Nerud made a motion that we further look into setbacks from homes and our next meeting. Mr. Smelser seconded it. Ms. Ames-Nerud and Mr. Smelser vote yes. Mr. King and Mr. Evans voted no. The motion dies on a tie vote.

Financial Report

Ms. Ricci distributed the financial report, attached as Exhibit 1. Mr. Smelser asked if the cash position in Oil and Gas production, which shows an increase from last year, is correct. Mr. Halvorson said Ms. Perrigo had mentioned to him the receipts in oil were up and it was likely the result of an increase in the average price.

Bond Report

Mr. Halvorson presented the bond report attached as Exhibit 2.

Docket Summary

Mr. Halvorson discussed the Docket Summary, attached as Exhibit 3. The exhibit contains a seven page overall docket summary, one page showing applications placed on the Default Docket, two pages of applications to be heard, and a two-page summary of status of all applications before the Board for its August 14, 2014 public hearing.

Mr. Halvorson said he received a phone call from an attorney concerning Wexco Exploration, LLC. They will have a representative at the hearing. Mr. Halvorson and the Board discussed the show-cause hearing for XOIL, Inc. Mr. Halvorson and XOIL, Inc have been in contact and XOIL, Inc. has paid the production report penalty. Mr. Halvorson is asking the Board to dismiss the \$1000 failure to appear fine.

Motion: Mr. Smelser made the motion to forgive the failure to appear penalty and Mr. Efta seconded it. The motion passed unanimously.

Grant Project Summary

Mr. Popp passed out the Grant Project Summary, as attached as Exhibit 4.

Request for Show-Cause

Mr. Gizicki passed out and presented a show-cause request for Hawley Hydrocarbons (Hawley), as attached as Exhibit 5. He discussed the packet and the finding when Mr. Klotz inspected the well. Hawley compliance issues date back to May 2014. Those issues include illegal discharge of produced water, oil on open pits, and oil spills on location. Mr. Gizicki recommends fining them \$1,000 for illegal discharge, and for failure to cleanup everything. Also, he recommends giving Hawley ten days written notice from Monday, August 18, 2014, to be in compliance with the illegal discharging or be fined a \$100 per day fine after August 27, 2014. Mr. Halvorson recommends adding a deadline of September 11, 2014, to Mr. Gizicki's recommendation for the cleanup to be done, and that if it isn't done by that date then they would be scheduled for a show-cause hearing for additional penalties at the October 16, 2014, hearing.

Motion: Mr. Smelser makes the motion to accept the recommendation. Mr. King asked Mr. Smelser if he is willing to amend his motion to \$5,000 because the Board has had issues in the past with Hawley, this is a very significant spill, and it is not an isolated incident that got past somebody. Mr. Smelser agreed to amend his motion to a \$5,000 fine because of the amount that is spilled, and the amount of times they have been before the Board with \$250 a day fine. Mr. King seconded the amended motion and it unanimously passed.

Gas Flaring Requests

Mr. Jones has four gas flaring requests. The Board's rule allows 100 mcf/day to be flared on a monthly average. Bakken wells typically produce more than the allowable flare amount but many are in areas where no infrastructure exists.

1. Continental is asking for a total of seven flaring requests. The first two, the Gehringer 13-1H well and Rognass-Barbara HSU well, are currently connected to a pipeline. There are three more requests from Continental that are producing less than the 100 mcf/day, which are not going to be economical. The sixth flaring request is for a H2S well. Continental is having trouble finding a pipeline to take the H2S from the Revere 1-31H well, and they are not able to scrub the gas. Continental's last flaring request, the Mifflin 1-30H well, is having right-of-way issues with the land owner.
2. Whiting is asking for six requests total. The Iverson Bros 31-1-1H, Scov 31-27-4H, and Scov 31-28-4H all are currently producing less than 100 mcf/gas, and the latter two are 5,000 feet away from a pipeline and have compression issues.
3. Oasis is only asking for an extension to their Daisy May 2758 31-28H, which is currently flaring and is four to five miles from the closest market. They recently made agreement with a pipeline company.

Mr. Jones is having trouble getting all the information required for flaring requests. Some of the companies he has contacted have been great about getting the information to him, but Oasis Petroleum has not been good about returning the requested information. Mr. Halvorson said the rules state the operator is supposed to start the process, and if they have a well that produces over 100 mcf/day or they

intend to produce over 100 mcf/day beyond the two month tests period the operators are suppose to make the request. Staff has had to ask for those requests when production reports indicate an overage. Mr. Halvorson is thinking of sending out a letter reminding the operators of the rules are concerning flaring and also indicating that a show-cause hearing may be scheduled if an exception is not requested prior to the end of the two-month test period. Mr. Jones recommends approving these. Mr. King feels that this is something we need to vigilant about so this doesn't get out of control.

MOTION: Mr. Efta made a motion, seconded by Mr. Smelser and unanimously passed, to grant six-month flaring exceptions for the Continental, Whiting, and XTO wells.

Staff Reports

Mr. Halvorson stated there has been an invitation from XTO for a meet and greet after the business meeting in October. Chairman Nelson said that would be fine. Mr. Halvorson also talked about moving the board executive secretary position to the Billings office. He said Chairman Nelson and he had a conference call with Director John Tubbs and he was fine with the move if that is works best. Mr. Smelser stated he supports the move. Mrs. Ames-Nerud asked who was on the hiring committee and would you like a board member or two on it. Chairman Nelson responded that it isn't a Board position so it is up to Mr. Halvorson how he would like to put the hiring committee together. Mr. Halvorson said he is going to move forward with the job descriptions and will keep the Chairman Nelson informed. Job descriptions will need to be rewritten so it will take time.

Mountain Pacific General

Ms. Joni Stewart, of Mountain Pacific General (Mountain Pacific), stated they have plugged one well since last year with two more to be plugged by the end of the year. Mr. Klotz stated he has three wells that Mountain Pacific has submitted for intention to abandon. They did plug one well within the last year making that a total of 10 wells plugged to date. Mountain Pacific has also transferred one well off their bond. Ms. Stewart asked if the Board would rescind Order 1-A-2010 and she stated she's made a good faith effort to get the issues resolved. Chairman Nelson believes without a doubt they have made a good faith effort. The Board did not make a new motion. Order 1-A-2010 will stay in place and Mountain Pacific will to come back before the Board at the same time next year.

Other Business

Mr. Stutz gave a legal update. There are still three lawsuits pending. The first is the Ostby case. This case remains remanded from Supreme Court. The second is the Hekkel case. This case has been active since the last hearing. The Board has filed a motion to dismiss based mostly on the fact they didn't exhaust their administrative procedures by not filing for a re-hearing. And the last case is the CCRC case. Mr. Stutz is trying to resolve the case through dispositive motions.

Chairman Nelson wanted to remind board members to cancel their rooms if they are not going to need them.

PUBLIC HEARING.

The Board reconvened on Thursday, August 14th, 2014 at 8:00 a.m. at its office at 2535 St. Johns Avenue in Billings, Montana, to hear the matters docketed for public hearing. Vice-Chairman Wayne Smith, was absent. As a result of the discussion, testimony and technical data placed before the Board, the following action was taken in each matter.

Docket No. 249-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 261-2014.

Docket No. 250-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 262-2014.

Docket No. 251-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 263-2014.

Docket No. 252-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 264-2014.

Docket No. 253-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 265-2014.

Docket No. 254-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 266-2014.

Docket No. 255-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 267-2014.

Docket No. 256-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kraken Oil & Gas LLC was approved as set forth in Board Order 268-2014.

Docket No. 257-2014– The application of Kraken Oil & Gas was continued to the October 2014 hearing.

Docket No. 258-2014 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Burlington Resources Oil & Gas Company LP as set forth in Board Order 218-2014.

Docket No. 259-2014 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Burlington Resources Oil & Gas Company LP as set forth in Board Order 219-2014.

Docket No. 260-2014 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Burlington Resources Oil & Gas Company LP as set forth in Board Order 220-2014.

Docket No. 261-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 221-2014.

Docket No. 262-2014 – A motion was made by Mr. King, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 222-2014.

Docket No. 263-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 223-2014.

Docket No. 264-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 269-2014.

Docket No. 265-2014 – A motion was made by Mr. Smelser, seconded by Ms. Ames-Nerud and unanimously passed, to approve the application of Slawson Exploration, Inc. as set forth in Board Order 260-2014.

Docket No. 266-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Treasure Exploration Company, LLC as set forth in Board Order 245-2014.

Docket No. 267-2014 and 13-2004 FED – The application of Treasure Exploration Company, LLC involves land under the jurisdiction of the BLM. The order will be issued by the BLM.

Docket No. 268-2014 and 14-2004 FED – The application of Treasure Exploration Company, LLC involves land under the jurisdiction of the BLM. The order will be issued by the BLM.

Docket No. 269-2014 & 1-2015 FED – The application of Statoil Oil & Gas LP was continued to the October 2014 hearing.

Docket No. 270-2014 – The application of Statoil Oil & Gas LP was continued to the October 2014 hearing.

Docket No. 271-2014 & 2-2015 FED – The application of Statoil Oil & Gas LP was continued to the October 2014 hearing.

Docket No. 272-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Abraxas Petroleum Corporation was approved as set forth in Board Order 270-2014.

Docket No. 273-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Bayswater Exploration & Production, LLC was approved as set forth in Board Order 271-2014.

Docket No. 274-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, Inc. was approved as set forth in Board Order 272-2014.

Docket No. 275-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, Inc. was approved as set forth in Board Order 273-2014.

Docket No. 276-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Mountain View Energy, LLC was approved as set forth in Board Order 274-2014.

Docket No. 277-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Interstate Explorations, LLC as set forth in Board Order 246-2014. Mr. King and Mr. Smelser recused themselves.

Docket No. 278-2014 – The application of Interstate Explorations, LLC was continued to the October 2014 hearing.

Docket No. 347-2013 – The application of Statoil Oil and Gas LP was continued to the October 2014 hearing.

Docket No. 498-2013 – The application of Statoil Oil and Gas LP was continued to the October 2014 hearing.

Docket No. 162-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 247-2014.

Docket No. 163-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 248-2014.

Docket No. 164-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 249-2014. Mr. King recused himself.

Docket No. 165-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 250-2014. Mr. King recused himself.

Docket No. 166-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 251-2014.

Docket No. 167-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 252-2014.

Docket No. 168-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 253-2014.

Docket No. 169-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 254-2014.

Docket No. 170-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 255-2014.

Docket No. 171-2014 – The application of Slawson Exploration Company, Inc. was withdrawn.

Docket No. 172-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 256-2014.

Docket No. 173-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 257-2014.

Docket No. 174-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 258-2014.

Docket No. 175-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 259-2014.

Docket No. 182-2014 – The application of EOG Resources, Inc. was continued to the October 2014 hearing.

Docket No. 183-2014 – The application of EOG Resources, Inc. was continued to the October 2014 hearing.

Docket No. 184-2014 – The application of EOG Resources, Inc. was continued to the October 2014 hearing.

Docket No. 202-2014 – The application of Slawson Exploration Company, Inc. was continued to the October 2014 hearing.

Docket No. 203-2014 – The application of Slawson Exploration Company, Inc. was continued to the October 2014 hearing.

Docket No. 204-2014 – The application of Slawson Exploration Company, Inc. was continued to the October 2014 hearing.

Docket No. 222-2014 – A motion was made by Mr. King, seconded by Mr., Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 224-2014.

Docket No. 223-2014 – A motion was made by Mr. King, seconded by Mr., Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 225-2014.

Docket No. 224-2014 – A motion was made by Mr. Smelser, seconded by Mr., Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 226-2014. Mr. King recused himself.

Docket No. 225-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 227-2014.

Docket No. 226-2014 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 228-2014. Mr. King recused himself.

Docket No. 227-2014 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 229-2014. Mr. King recused himself.

Docket No. 228-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 230-2014. Mr. King recused himself.

Docket No. 229-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 231-2014. Mr. King recused himself.

Docket No. 230-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 232-2014. Mr. King recused himself.

Docket No. 231-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 233-2014. Mr. King recused himself.

Docket No. 232-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 234-2014. Mr. King recused himself.

Docket No. 233-2014 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 235-2014. Mr. King recused himself.

Docket No. 234-2014 – A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 236-2014. Mr. King recused himself.

Docket No. 235-2014 – A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 237-2014. Mr. King recused himself.

Docket No. 236-2014 – A motion was made by Mr. Efta, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 238-2014. Mr. King recused himself.

Docket No. 237-2014 – A motion was made by Mr. King, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 239-2014.

Docket No. 238-2014 – A motion was made by Mr. King, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 240-2014.

Docket No. 239-2014 – A motion was made by Mr. King, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 241-2014.

Docket No. 240-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 242-2014. Mr. King recused himself.

Docket No. 241-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 243-2014. Mr. King recused himself.

Docket No. 242-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 244-2014. Mr. King recused himself.

Docket No. 244-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of TAQA North USA, Inc. was approved as set forth in Board Order 275-2014.

Docket No. 246-2014 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to continue the Show-Cause Hearing for Bensus Energy, LLC until the Board's October 16, 2014 public hearing, and to give staff authority to dismiss this docket if all well locations are in compliance by the September 11, 2014, filing deadline for the October hearing. This is set forth in board Order 278-2014.

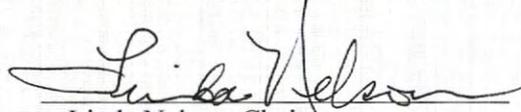
Docket No. 180-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to continue the Show-Cause hearing for Wexco Exploration, LLC until the Board's October 16, 2014, public hearing, and to give staff authority to dismiss this docket if delinquent production reports are submitted by the September 11, 2014, filing deadline for the October hearing. This is set forth in Board Order 276-2014.

Docket No. 181-2014 – A motion was made by Mr. King, seconded by Mr. Efta and unanimously passed, to continue the Show-Cause hearing of Produced Water Solutions, Inc. to the Board's October 16, 2014, public hearing as set forth in Board Order 277-2014.

NEXT MEETING

The next business meeting of the Board will be Wednesday, October 15th, 2014 at 2:00 p.m. at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. The next regular public hearing will be Thursday, October 16th, 2014, beginning at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings, Montana. The filing deadline for the October 16th, 2014, public hearing is September 11th, 2014.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

A handwritten signature in black ink, appearing to read "Linda Nelson", written over a horizontal line.

Linda Nelson, Chairman

Ronald S. Efta

John Evans

Jack King

Peggy Ames-Nerud

Bret Smelser

ATTEST:

Erin Ricci, Administrative Assistant II