

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
HELENA, MONTANA

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold its regular business meeting at 2:00 p.m., Wednesday, December 13, 2006, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza Billings in Billings, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of November 1, 2006 business meeting
3. Opportunity for public comment
4. Ritter, Laber and Associates request for rehearing on Dockets 357-2006 and 358-2006
5. Bond report
6. Financial report
7. 2007 Schedule
8. Default docket
9. Staff reports

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m. Thursday, December 14, 2006, in the conference room of the Petroleum Club on the 22nd floor of the Crowne Plaza Billings in Billings, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6675 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket No. 460-2006

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of Section 14, T24N-R57E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 461-2006

APPLICANT: ENERPLUS RESOURCES (USA) CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Enerplus Resources (USA) Corporation** to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of all of Sections 3 and 10, T24N-R57E, Richland County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 462-2006

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY – BIG HORN COUNTY, MONTANA

Upon the application of **Fidelity Exploration & Production Company** to enlarge CX Field to include all of Section 13, T9S-R40E, Big Horn County, Montana. Said Section 13 is included in applicant's Decker Mine-East Project Plan of Development application which has also been filed with the Board.

Docket No. 463-2006

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY – BIG HORN COUNTY, MONTANA

Upon the application of **Fidelity Exploration & Production Company** to approve its Decker Mine-East Project Plan of Development for coal bed natural gas exploration and development the following described lands in Big Horn County, Montana:

T9S-R40E

Section 13: All

Section 24: NE $\frac{1}{4}$

T9S-R41E

Section 7: Lots 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

Section 8: All

Section 17: All

Section 18: Lots 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

Section 19: Lots 5, 6, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

Applicant proposes to drill and develop the above-described lands for coal bed natural gas with well densities greater than one well per 640 acres, according to rules established for CX Field. The lands included in this application are subject to Board Order 99-99 and the Record of Decision dated March 26, 2003. Prior to hearing, applicant will submit its Decker Mine –East Project Plan of Development for the above-described lands to Board staff.

Docket No. 464-2006

APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA

Upon the application of **MCR, LLC** to pool all interests in the spacing unit comprised of the N $\frac{1}{2}$ of Section 8, T36N-R2E, Toole County, Montana, for production of natural gas and associated liquid hydrocarbons from the Sawtooth and Madison Formations. (West Butte Field)

Docket No. 465-2006

APPLICANT: MOUNTAIN VIEW ENERGY, LTD. - GLACIER COUNTY, MONTANA

Upon the application of **Mountain View Energy, LTD.** to clarify, or amend if necessary, the Red Creek Field rules for production of oil from the non-unitized portions of the Sunburst, Cut Bank and Madison Formations, to provide that each well be located not less than 330 feet from any legal subdivision line and not less than 650 feet from every other producible well producing from the same reservoir (except that a five spot location on a 40-acre parcel will be permitted), and that existing wells not conforming to said pattern be authorized as exceptions.

Docket No. 466-2006

APPLICANT: YELLOWSTONE PETROLEUMS, INC. - PONDERA COUNTY, MONTANA

Upon the application of **Yellowstone Petroleum, Inc.** to convert the State #14-16 well (API # 25-073-21469) in Brady Field in the E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 16, T27N-R2W, Pondera County, Montana, to a saltwater disposal well to inject produced water into the Sunburst Formation from applicant's State Battery wells. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 467-2006

APPLICANT: CROFT PETROLEUM CO. - GLACIER COUNTY, MONTANA

Upon the application of **Croft Petroleum Co.** to create a permanent spacing unit comprised of Lots 1 & 2, S½NE¼, SE¼ (E½) of Section 2, T36N-R6W, Glacier County, Montana, which lies within the Cut Bank Field, for the production of natural gas from all formations from the surface of the earth to the base of the Mississippian-Madison Formation, and to drill a well on said Lot 2 at an approximate location 647' FNL and 1650' FEL of said Section 2 to test the Sunburst Formation.

Dockets No. 468 and 469-2006
Continued Prior to Publication

Docket No. 470-2006

APPLICANT: MARATHON OIL COMPANY – RICHLAND COUNTY, MONTANA

Upon the application of **Marathon Oil Company** to create a temporary spacing unit comprised of all of Sections 16 and 21, T25N-R59E, Richland County, Montana, and to authorize the drilling of a horizontal Bakken Formation well thereon at any location not closer than 660 feet to the boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket No. 471-2006

APPLICANT: MARATHON OIL COMPANY – RICHLAND COUNTY, MONTANA

Upon the application of **Marathon Oil Company** to create a temporary spacing unit comprised of all of Sections 20 and 29, T26N-R59E, Richland County, Montana, to drill a horizontal Bakken Formation well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 472-2006

APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP – RICHLAND COUNTY, MONTANA

Upon the application of **Headington Oil, Limited Partnership** to pool all interests in the spacing unit comprised of all of Sections 21 and 28, T23N-R57E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. with respect to the Cundiff #21X-28 well.

Docket No. 473-2006

APPLICANT: NOBLE ENERGY, INC. - PHILLIPS COUNTY, MONTANA

Upon the application of **Noble Energy, Inc.** to designate Section 7, T37N-R31E, East Loring Field, Phillips County, Montana, as a permanent spacing unit for production of Lower Colorado Group natural gas, and to approve the drilling and production of four wells within and upon said spacing unit.

Docket No. 474-2006

APPLICANT: NOBLE ENERGY, INC. – PHILLIPS COUNTY, MONTANA

Upon the application of **Noble Energy, Inc.** to amend Board Orders 60-82 and 39-97 (East Loring Field) with regard to Section 7, T37N-R31E, Phillips County, Montana, to allow commingling of production from the Niobrara, Bowdoin, Greenhorn and Phillips Formations in the wells applicant operates in said Section 7.

Docket No. 475-2006

APPLICANT: NOBLE ENERGY, INC. – PHILLIPS COUNTY, MONTANA

Upon the application of **Noble Energy, Inc.** to amend Board Orders 60-82 and 39-97 (East Loring Field) with regard to Section 8, T37N-R31E, Phillips County, Montana, to allow commingling of production from the Niobrara, Bowdoin, Greenhorn and Phillips Formations in the wells applicant operates in said Section 8.

Docket No. 476-2006

APPLICANT: STONE ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Stone Energy Corporation** to create a temporary spacing unit comprised of all of Sections 35 and 36, T23N-R58E, Richland County, Montana, to drill a horizontal Bakken Formation well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 477-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the E½ of Section 14 and the W½ of Section 13, T34N-R16E, Hill County, Montana, for production of gas from the Eagle Formation through the wellbore of the Cunningham #14-9-34-16B well.

Docket No. 478-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the NE¼ of Section 11 and the NW¼ of Section 12, T34N-R16E, Hill County, Montana, for production of gas from the Eagle Formation through the wellbore of the Thiel #11-8-34-16D well.

Docket No. 479-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the SE¼ of Section 20, the SW¼ of Section 21, the NW¼ of Section 28, and the NE¼ of Section 29, T36N-R15E, Hill County, Montana, for production of gas from the Eagle Formation through the wellbore of the Bud-Federal #21-13-36-15C well.

Docket No. 480-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the S½ of Section 2 and the N½ of Section 11, T36N-R14E, Hill County, Montana, for production of gas from the Niobrara Formation through the wellbore of the Verploegen #11-2-36-14B well.

Docket No. 481-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the S½ of Section 10, T34N-R16E, Hill County, Montana, for production of gas from the Eagle and Niobrara Formations (non-commingled) through the wellbore of the Thiel #10-14-34-16 well.

Docket No. 482-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the S½ of Section 11 and the N½ of Section 14, Hill County, Montana, for production of gas from the Eagle Formation through the wellbore of the Dusek-Federal #14-3-36-15C well.

Docket No. 483-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a permanent spacing unit comprised of the E½ of Section 10 and the W½ of Section 11, T34N-R16E, Hill County, Montana, for production of gas from the Eagle Formation through the wellbore of the Thiel #10-9-34-16B well.

Docket No. 484-2006

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **Klabzuba Oil & Gas, Inc.** to drill an additional Eagle Formation gas well in the permanent spacing unit comprised of the E½ of Section 10 and the W½ of Section 11, T34N-R16E, Hill County, Montana, at a location 2460' FNL and 220' FWL of said Section 11, with a 200-foot topographic tolerance. Applicant further requests that Board Order 248-2005, which created a temporary spacing unit on those same lands, be vacated.

Docket No. 485-2006

APPLICANT: NANCE PETROLEUM CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to pool all interests, on the basis of surface acreage, in the S½ of Section 8, T23N-R58E, Richland County, Montana, for Bakken Formation production from the Sunwall 12-8H well. Applicant requests placement on the Default Docket.

Docket No. 486-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill a horizontal Bakken Formation test well in an overlapping temporary spacing unit comprised of the E½ of Section 1 and the E½ of Section 12, T24N-R53E, and the W½ of Section 6 and the W½ of Section 7, T24N-R54E, Richland County, Montana, with laterals to be located no closer than 660 feet to the exterior boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket No. 487-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Section 2, T25N-R54E, Richland County, Montana, and to designate applicant's Jean Pierre 1-2H well as the authorized well for said permanent spacing unit.

Docket No. 488-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Section 8, T23N-R54E, Richland County, Montana, and to designate applicant's Bettsye 1-8H well as the authorized well for said permanent spacing unit.

Docket No. 489-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for the Bakken Formation comprised of all of Sections 15 and 22, T26N-R54E, Richland County, Montana, and to designate applicant's Nola 1-22H well as the authorized well for said permanent spacing unit.

Docket No. 490-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken Formation dual lateral horizontal well in the spacing unit comprised of all of Sections 15 and 22, T24N-R54E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit as an amendment to Board Orders 123-2003 and 77-2004. Applicant requests placement on the Default Docket.

Docket No. 491-2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill an additional Bakken formation dual lateral horizontal well in the spacing unit comprised of all of Sections 15 and 22, T26N-R54E, Richland County, Montana, with such laterals to be located no closer than 660 feet to the exterior boundaries of said spacing unit. Applicant requests placement on the Default Docket.

Docket No. 492-2006

APPLICANT: ALTAMONT OIL & GAS, INC. - PONDERA COUNTY, MONTANA

Upon the application of **Altamont Oil & Gas, Inc.** to include the following described lands in the Lake Frances Field in Pondera County, Montana:

- T29N-R5W
- Section 17: All
- Section 18: All
- T28N-R4W
- Section 6: All
- T28N-R5W
- Section 1: All
- Section 2: All
- T29N-R4W
- Section 31: All

Docket No. 493-2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to convert the Porter 06SA-25-0841 well (API # 25-003-22156) located in the SENW of Section 25, T8S-R41E, Dietz Field, Big Horn County, Montana, to a Class II injection well to dispose of produced coal bed natural gas water into the Anderson coal (also referred to as the Dietz 1) at approximately 430 to 447 feet below surface level. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 494-2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to convert the Lott 09-SA-27-0841 well (API # 25-003-22174) located in the NESE of Section 27, T8S-R41E, Dietz Field, Big Horn County, Montana, to a Class II injection well to dispose of produced coal bed natural gas water into the Anderson coal (also referred to as the Dietz 1) approximately 385 to 397 feet below surface level. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 495-2006

APPLICANT: PINNACLE GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the application of **Pinnacle Gas Resources, Inc.** to convert the Porter 01-SA-26-0841 well (API # 25-003-22165) located in the NENE of Section 26, T8S-R41E, Dietz Field, Big Horn County, Montana, to a Class II injection well to dispose of produced coal bed natural gas water into the Anderson coal (also referred to as the Dietz 1) approximately 392 to 405 feet below surface level. Staff notes this application is eligible for placement on the Default Docket.

Docket No. 496-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an Eagle Formation gas well in Section 32, T32N-R17E, Hill County, Montana, said well to be located anywhere within said Section 32 but not closer than 700 feet FSL of said Section 32 and 990 feet from the remaining boundaries, as an exception to Board Order 10-70. (Tiger Ridge Field) Applicant requests placement on the Default Docket.

Docket No. 497-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an additional Eagle Formation gas well in Section 3, T31N-R18E, Blaine County, Montana, said well to be located anywhere within said Section 3 but not closer than 600 feet to the boundaries thereof, as an exception to Board Orders 13-75 and 24-89. (Tiger Ridge Field) Applicant requests placement on the Default Docket.

Docket No. 498-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - CHOUTEAU COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** for an exception to A.R.M. 36.22.702 to drill up to four additional Eagle Formation gas wells in Section 16, T27N-R17E, Chouteau County, Montana, anywhere within said Section 16 but not closer than 660 feet to the boundaries thereof; and to drill an additional Eagle Sand Formation gas well anywhere within said Section 16 but not closer than 500 feet FSL and 660 feet from the remaining boundaries thereof. Applicant requests placement on the Default Docket.

Docket No. 499-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well anywhere within the N½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 660 feet to the boundaries thereof as an exception to Board Orders 26-74 and 137-2003 (Bullwacker Field). Applicant requests placement on the Default Docket.

Docket No. 500-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the Henderson #27-10-27-17) anywhere within the S½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 660 feet to the boundaries thereof as an exception to Board Orders 26-74 and 160-2003 (Bullwacker Field). Applicant requests placement on the Default Docket.

Docket No. 501-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the Henderson #27-11A-27-17) anywhere within the S½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 500 feet to the boundaries thereof as an exception to Board Orders 26-74 and 160-2003 (Bullwacker Field). Applicant requests placement on the Default Docket.

Docket No. 502-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the Henderson #27-13-27-17) anywhere within the S½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 660 feet to the boundaries thereof as an exception to Board Orders 26-74 and 160-2003 (Bullwacker Field). Applicant requests placement on the Default docket.

Docket No. 503-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to drill an additional Eagle Formation gas well (the Henderson #27-14-27-17) anywhere within the S½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 660 feet to the boundaries thereof as an exception to Board Orders 26-74 and 160-2003 (Bullwacker Field). Applicant requests placement on the Default Docket.

Docket No. 504-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P** to create a temporary spacing unit comprised of the S½S½ of Section 6 and the N½N½ of Section 7, T27N-R19E, Blaine County, Montana, to drill a gas well (the US DIR #7-1-27-19) with a bottomhole location not closer than 660 feet to the boundaries of said temporary spacing unit as an exception to Board Orders 45-76 and 65-85 (Sawtooth Mountain Field). Applicant requests placement on the Default Docket.

Docket No. 505-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the SE¼ of Section 4, the SW¼ of Section 3, the NE¼ of Section 9 and the NW¼ of Section 10, T26N-R20E, Blaine County, Montana, to drill a gas well (the US DIR #4-9-26-20) with a bottomhole location not closer than 660 feet to the boundaries of said temporary spacing unit as an exception to Board Order 45-76 (Sawtooth Mountain Field). Applicant requests placement on the Default Docket.

Docket No. 506-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - HILL COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a temporary spacing unit comprised of the S½S½ of Section 27 and the N½N½ of Section 34, T32N-R17E, Hill County, Montana, to drill a gas well (the Davey #27-15-32-17) anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof as an exception to Board Order 10-70 (Tiger Ridge Field). Applicant requests placement on the Default Docket.

Docket No. 507-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a permanent spacing unit comprised of all of Section 16, T25N-R18E, Blaine County, Montana, for production of gas from the Eagle Formation through the wellbore of the State #16-07-25-18 well.

Docket No. 508-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a permanent spacing unit comprised of the SW¼ of Section 29 and the NW¼ of Section 32, T25N-R18E, Blaine County, Montana, for production of gas from the Eagle Formation through the wellbore of the US #32-03-25-18 well.

Docket No. 509-2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. - BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to create a permanent spacing unit comprised of the E½SE¼ of Section 1, T27N-R18E, and the W½SW¼ of Section 6, T27N-R19E, Blaine County, Montana, for production of gas from the Eagle Formation through the wellbore of the US DIR #1-9-27-18 well. (Sawtooth Mountain Field)

Docket No. 510-2006

APPLICANT: FOREST OIL CORPORATION – SHERIDAN COUNTY, MONTANA

Upon the application of **Forest Oil Corporation** to drill an oil and gas well to the Madison Group in Section 34, T31N-R58E, Sheridan County, Montana, said well to be located 785' FEL and 2575' FSL of said Section 34 with a 50-foot topographic tolerance in any direction as an exception to Board Order 147-2006 (North Anvil Field). Applicant requests placement on the Default Docket with automatic continuance in the event of a protest of request for hearing.

Docket No. 511-2006

APPLICANT: MAIN ENERGY, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Main Energy, Inc.** to designate a field and create a permanent spacing unit comprised of the N½ of Section 26, T36N-R54E, Sheridan County, Montana, for production of oil and associated natural gas from the Red River Formation.

Docket No. 512-2006

APPLICANT: PTARMIGAN LANDS LP – YELLOWSTONE COUNTY, MONTANA

Upon the application of **Ptarmigan Lands LP** to drill its proposed Dover 8-2 gas test well in Section 2, T1N-R25E, Yellowstone County, Montana, at an approximate location 494' FEL and 1312' FNL of said Section 2 as an exception to A.R.M. 36.22.702. Applicant further requests that any protests to this application be filed with the Board at least five (5) days prior to hearing. If said well is successfully completed, applicant will apply for permanent spacing within 90 days of first production. Applicant requests placement on the Default Docket.

Docket No. 513-2006

APPLICANT: PTARMIGAN LANDS LP – YELLOWSTONE COUNTY, MONTANA

Upon the application of **Ptarmigan Lands LP** to drill its proposed Bar Diamond 2-21 gas test well in Section 21, T2N-R25E, Yellowstone County, Montana, at an approximate location 268' FNL and 2300' FEL of said Section 21 as an exception to A.R.M. 36.22.702. Applicant further requests that any protests to this application be filed with the Board at least five (5) days prior to hearing. If said well is successfully completed, applicant will apply for permanent spacing within 90 days of first production. Applicant requests placement on the Default Docket.

Docket No. 514-2006

APPLICANT: WAVE USA, INC. – TOOLE COUNTY, MONTANA

Upon the application of **Wave USA, Inc.** to create a permanent spacing unit for the Sunburst A Formation comprised of the SW¼SW¼ of Section 24, T37N-R2E, Toole County, Montana, and to designate applicant's J. Fey 13-24 well as the authorized well for said permanent spacing unit. Applicant states that 75 percent of the oil from this well will be attributed to the spacing unit and 25 percent of the oil from this well will be shared with the unit in Section 23 to protect the correlative rights of the owners in that unit, with the 25 percent contributing its proportionate share of drilling, completion and operating costs of the J. Fey 13-24 well.

Docket No. 515-2006

APPLICANT: COMPASS ENERGY, INC. - PONDERA COUNTY, MONTANA

Upon the application of **Compass Energy, Inc.** to create 160-acre temporary spacing units in Sections 19 and 30, T29N-R5W, Pondera County, Montana; to drill, complete and produce gas from all zones from the surface of the earth to the top of the Kootenai Formation, said wells to be located anywhere within the 160-acre temporary spacing units but not closer than 660 feet to the boundaries thereof; and to commingle and produce said gas from the same string of casing in any well capable of production from multiple zones. Applicant will file for permanent spacing of Sections 19 and 30 within 90 days of production. Applicant requests that any protests to this application be filed with the Board at least five (5) days prior to hearing. Applicant requests placement on the Default Docket.

Docket No. 516-2006

APPLICANT: ENCORE OPERATING, L.P. – FALLON & WIBAUX COUNTIES, MONTANA

Upon the application of **Encore Operating, L.P.** to certify the following wells for the severance tax reduction available to horizontal re-entries through the Montana Department of Revenue.

API Number	Well Name	Location	Completion Date
25-025-21368	PNL 11-19CH	Sec 19, T8N-R60E	February 2006
25-109-05042	SP 44-15AH	Sec 15, T11N-R57E	March 2006

Staff notes this application is eligible for placement on the Default Docket.

Docket No. 378-2006
Continued from November 2006

APPLICANT: BOWERS OIL & GAS, INC. – FALLON COUNTY, MONTANA

Upon the application of **Bowers Oil & Gas, Inc.** to expand the South Plevna Gas Field boundaries to include the S½ of Section 9, the W½ of Section 10 and all of Section 5, T4N-R61E, Fallon County, Montana, with the spacing for these lands to be one well per quarter section, with wells to be located no closer than 660 feet to the spacing unit boundaries with a 150-foot topographic tolerance.

Docket 385-2006
Continued from November 2006

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – ROOSEVELT COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a temporary spacing unit comprised of all of Sections 35 and 36, T27N-R59E, Roosevelt County, Montana, to drill a horizontal well in the Madison Group, said well to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof. Applicant requests placement on the Default Docket.

Docket 386-2006
Continued from November 2006

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a field and permanent spacing unit comprised of all of Section 34, T24N-R53E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 387-2006
Continued from November 2006

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a field and permanent spacing unit comprised of all of Section 24, T24N-R52E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket 388-2006
Continued from November 2006

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a field and permanent spacing unit comprised of all of Section 2, T23N-R53E, Richland County, Montana for production of oil and associated natural gas from the Bakken Formation.

Docket 389-2006
Continued from November 2006

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Slawson Exploration Company, Inc.** to create a field and permanent spacing unit comprised of all of Section 32, T26N-R55E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket No. 392-2006
Continued from November 2006

APPLICANT: SINCLAIR OIL CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Sinclair Oil Corporation** to create a temporary spacing unit comprised of all of Sections 15 and 22, T27N-R53E, Richland County, Montana, and to authorize the drilling of a horizontal Bakken Formation well thereon at any location not closer than 660 feet to the boundaries of said temporary spacing unit. Applicant requests placement on the Default Docket.

Docket No. 405-2006
Continued and amended from November 2006

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to drill a Red River Formation test well in a 320-acre temporary spacing unit comprised of the SE $\frac{1}{4}$ of Section 4 and the NE $\frac{1}{4}$ of Section 9, T25N-R55E, Richland County, Montana, at a location 200' FSL and 1000' FEL of said Section 4 with a 75-foot topographic tolerance; and to provide that said temporary spacing unit overlaps the 320-acre statewide spacing unit for the Tiller 1-9 well consisting of the NE $\frac{1}{4}$ of Section 9 and the NW $\frac{1}{4}$ of Section 10, T25N-R55E, Richland County, and shall be limited to production from the proposed test well. Applicant amended its original application to request placement on the Default Docket without automatic continuance.

Docket No. 423-2006
Continued from November 2006

APPLICANT: CHESAPEAKE OPERATING, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Chesapeake Operating, Inc.** to designate the SW $\frac{1}{4}$ of Section 29 and the NW $\frac{1}{4}$ of Section 32, T35N-R57E, Sheridan County, Montana, as a temporary spacing unit to drill an oil and gas well to test the Red River Formation at an approximate structural intercept of 1110' FSL and 192' FWL of said Section 29, with a 100-foot topographic tolerance in any direction except West, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket No. 428-2006
Continued and amended from November 2006

APPLICANT: CITATION OIL & GAS CORP. – FALLON COUNTY, MONTANA

Upon the application of **Citation Oil & Gas Corp.** to drill a horizontal Red River "B" Formation test well by re-entering the Government 34-14 well in the temporary spacing unit comprised of the E½ of Section 14, T9N-R58E, Fallon County, Montana, with said lateral to be located anywhere within said temporary spacing unit but not less than 660 feet from the exterior boundaries thereof; and to provide that the requested 320-acre temporary spacing unit overlaps the existing 160-acre permanent spacing unit consisting of the SE¼ of said Section 14, which is applicable to Silurian/Ordovician production for the perforations in the Government 34-14 vertical wellbore, and that said 160-acre permanent spacing unit shall remain in effect. Applicant amended its application by deleting production allocations.

Docket No. 429-2006 and 1-2007 FED
Continued from November 2006

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to drill a horizontal Ratcliffe Formation test well in the temporary spacing unit comprised of the W½ of Section 10, T28N-R58E, Roosevelt County, Montana, by re-entering the Granley Crusch 1-10H well, with said lateral to be located not less than 550 feet from the east boundary and 660 feet from the remaining boundaries of said temporary spacing unit, and to provide that the 320-acre temporary spacing unit is only applicable to production from the Ratcliffe Formation from the proposed Granley Crusch 1-10HR well.

Docket No. 445-2006
Continued from November 2006

APPLICANT: DEVON ENERGY PRODUCTION COMPANY, L.P. – BLAINE COUNTY, MONTANA

Upon the application of **Devon Energy Production Company, L.P.** to drill an Eagle Formation gas well (the Goodbar #32-3-32-18) at an approximate location 680' FNL and 2360' FWL of Section 32, T32N-R18E, Blaine County, Montana, as an exception to the setback requirements in Board Order 11-72. (Tiger Ridge Gas Unit) Applicant requests placement on the Default Docket.

Docket No. 448-2006
Continued from November 2006

APPLICANT: LUFF EXPLORATION COMPANY - RICHLAND COUNTY, MONTANA

Upon the application of **Luff Exploration Company** to authorize oil and gas produced from the Ratcliffe and Nisku Formations to be commingled in the wellbore of the Federal Richter F-7 well (API # 25-083-21884) located in the SE¼NW¼ of Section 7, T26N-R58E, Richland County, Montana. Applicant proposes to use fingerprint tests to allocate production between the two formations.

Docket No. 377-2006
SHOW-CAUSE HEARING
Continued from September 2006

RESPONDENT: NERDLIHC COMPANY, INC. – DANIELS COUNTY, MONTANA

Upon the Board's own motion to require **Nerdlihc Company, Inc.** to appear and show cause, if any it has, why its bond should not be forfeited for failure to clean up the Fugere tank battery site located in Section 30, T34N-R48E, Daniels County, Montana.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri H. Perrigo
Executive Secretary