

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, October 24, 2007, 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 September 5, 2007 business meeting
3. Opportunity for public comment
4. Yellowstone Petroleums, Inc.
5. Bond report
6. Financial report
7. Proposed Schedule 2008
8. Default docket
9. Staff reports
10. Exempt staff evaluations

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, October 25, 2007, 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) 444-6970 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket 348-2007

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

Upon the application of **Pinnacle Gas Resources, Inc.** for a Class II injection permit for convert the Visborg 11SA-22-0841 (API # 25-003-22690) located 1999' FSL and 2272' FWL of Section 22, T8S-R41E, Big Horn County, Montana, to inject produced coal bed natural gas water from nearby wells into the Anderson (also called Dietz 1) coal seam. Staff notes this application is eligible for placement on the Default Docket. (Coal Creek Field)

Docket 349-2007

APPLICANT: GREAT PLAINS OPERATING, L.L.C. - ROSEBUD COUNTY, MONTANA

Upon the application of **Great Plains Operating, L.L.C.** for a Class II injection permit to convert the currently shut-in Grebe #1-22R (API # 25-087-21451) located 266' FSL and 1029' FEL of Section 22, T11N-R32E, Rosebud County, Montana, to an injection well to inject produced water from the Grebe Kincheloe battery into the Tyler Formation. Staff notes this application is eligible for placement on the Default Docket. (Sumatra Field, Grebe Kincheloe Unit)

Docket 350-2007

APPLICANT: WESTERN NATURAL GAS CO. – TOOLE COUNTY, MONTANA

Upon the application of **Western Natural Gas Co.** to create a permanent spacing unit comprised of the N½ of Section 8, T37N-R1E, Toole County, Montana, for all formations from the surface to the top of the Rierdon Formation and to authorize the drilling of a natural gas test well thereon at a location 802' FNL and 582' FEL of said section.

Docket 351-2007

APPLICANT: WESTERN NATURAL GAS CO. – TOOLE COUNTY, MONTANA

Upon the application of **Western Natural Gas Co.** to create a permanent spacing unit comprised of the N½ of Section 10, T37N-R1E, Toole County, Montana for all formations from the surface to the top of the Rierdon Formation and to authorize the drilling of a natural gas test well thereon at a location 896' FNL and 1728' FEL of said section.

Docket 352-2007

APPLICANT: TARGE ENERGY EXPLORATION AND PRODUCTION, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Targe Energy Exploration and Production, LLC** to create a permanent spacing unit comprised of Lots 3 & 4, E½SW¼, SE¼ (S½) of Section 18, T34N-R1E, Toole County, Montana, for production of natural gas from the Bow Island Formation and to drill and produce, if commercial, a test well to the Bow Island Formation at a location 1600' FSL and 2400' FEL of said Section 18.

Docket 353-2007

APPLICANT: CLINE PRODUCTION COMPANY – ROSEBUD COUNTY, MONTANA

Upon the application of **Cline Production Company** for a Class II injection permit to convert the Harris 5-1 well (API # 25-087-05191) located 1980' FSL and 1980' FWL of Section 24, T11N-R32E, Rosebud County, Montana, to an injection well to inject Tyler produced water into the Tyler Formation at a depth of 4814' – 4828'. Staff notes this application is eligible for placement on the Default Docket. (Sumatra Field, NE Sumatra Tyler Sand Unit)

Docket 354-2007

APPLICANT: CLINE PRODUCTION COMPANY – GARFIELD COUNTY, MONTANA

Upon the application of **Cline Production Company** for a Class II injection permit to convert the BN #12-23 well (API # 25-033-21095) located 1985' FNL and 642' FWL of Section 23, T13N-R33E, Garfield County, Montana, to a saltwater disposal well to inject Tyler produced water into the Tyler Formation at a depth of 4782' – 4778'. Staff notes this application is eligible for placement on the Default Docket. (Studhorse Field)

Docket 355-2007

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 Brewer #25-06-17) in the spacing unit comprised of all of Section 25, T25N-R17E, anywhere within said spacing unit but not closer than 990 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 356-2007

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

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a temporary spacing unit comprised of the N½ of Section 7, T35N-R17E, Hill County, Montana, to drill a gas well (the Bessette #7-3-35-17) to test prospective zones and formations from the surface down to the base of the Second White Specks Formation at a proposed location 700' FNL and 2320' FWL of said Section 7, with a 75-foot topographic tolerance as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 357-2007

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

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a temporary spacing unit comprised of the S½ of Section 20, T35N-R17E, Hill County, Montana, to drill a gas well (the East End #20-16-35-17B) to test prospective zones and formations from the surface down to the base of the Second White Specks Formation at a proposed location 1290' FSL and 1240' FEL of said Section 20, with a 75-foot topographic tolerance as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 358-2007

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

Upon the application of **Klabzuba Oil & Gas, Inc.** to create a temporary spacing unit comprised of all of Section 29, T35N-R17E, Hill County, Montana, to drill a gas well (the East End #29-10-35-17B) to test prospective zones and formations from the surface down to the base of the Second White Specks Formation at a proposed location 2150' FSL and 1400' FEL of said Section 29, with a 75-foot topographic tolerance as an exception to Board Order 92-2002 and A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 359-2007

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 13 and 24, T22N-R58E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation from the O'Brien 11X-18 well. Applicant is not seeking imposition of risk penalties, and requests placement on the Default Docket.

Docket 360-2007

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

Upon the application of **Fidelity Exploration & Production Company** to drill two wells within the boundaries of CX Field at locations closer than 220 feet to spacing unit boundaries: 1) the Mt Royalty Fed – 24C/W – 2190 well located 1034' FSL and 2433' FWL of Section 21, T9S-R40E, Big Horn County, Montana, and 2) the Rancholme Fed – 24C/W -1791 well located 183' FSL and 1837' FWL of Section 17, T9S-R41E, Big Horn County, Montana. Applicant states the exception locations are necessary because of topography. Applicant requests placement on the Default Docket with automatic continuance if a protest or request for hearing is received.

Docket 361-2007

APPLICANT: NADEL & GUSSMAN ROCKIES, L.L.C. - FALLON COUNTY, MONTANA

Upon the application of **Nadel & Gussman Rockies, L.L.C.** to create a temporary spacing unit comprised of the S½ of Section 34, T2N-R61E, Fallon County, Montana, to drill a Red River Formation test well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant states that an application for permanent spacing will be made within 90 days of successful completion and also requests placement on the Default Docket.

Docket 362-2007

APPLICANT: NADEL & GUSSMAN ROCKIES, L.L.C. - CARTER COUNTY, MONTANA

Upon the application of **Nadel & Gussman Rockies, L.L.C.** to create a field and permanent spacing unit comprised of Lots 1-3, 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, for production of oil and associated natural gas from the Red River Formation through the Hat Creek Federal #1 well.

Docket 363-2007

APPLICANT: NADEL & GUSSMAN ROCKIES, L.L.C. - CARTER COUNTY, MONTANA

Upon the application of **Nadel & Gussman Rockies, L.L.C.** to pool all interests in the permanent spacing unit comprised of Lots 1-3, 6-8, 9-11 and 14-16 of Section 4, T1S-R62E, Carter County, Montana, for production of oil and associated natural gas from the Red River Formation with respect to the Hat Creek Federal #1 well, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 364-2007

APPLICANT: BILL BARRETT CORPORATION – PARK COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to create a temporary spacing unit comprised of Lots 1 through 12 of Section 6, T4N-R8E, Park County, Montana, to drill a well to test all zones and formations to a depth of greater than 12,000 feet subsurface at a location anywhere within the proposed temporary spacing unit but not closer than 660 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant states that an application for permanent spacing will be made within 90 days of successful completion of the proposed well and requests that this application be placed on the Default Docket.

Docket 365-2007

APPLICANT: BILL BARRETT CORPORATION – PARK COUNTY, MONTANA

Upon the application of **Bill Barrett Corporation** to create a temporary spacing unit comprised of Lots 13 through 18, E½SW¼, SE¼ of Section 6, T4N-R8E, Park County, Montana, to drill a well to test all zones and formations to a depth of greater than 12,000 feet subsurface at a location anywhere within the proposed temporary spacing unit but not closer than 660 feet to the boundaries thereof as an exception to A.R.M. 36.22.702. Applicant states that an application for permanent spacing will be made within 90 days of successful completion of the proposed well and requests that this application be placed on the Default Docket.

Docket 366-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of all of Section 15, T24N-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 Peanut Danielson #15-14-H well.

Docket 367-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of all of Section 15, T24N-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 Peanut Benton #15-14-HID well.

Docket 368-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of all of Section 14, T24N-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 Peanut East Kilen #14-2-H well.

Docket 369-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of all of Section 14, T24N-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 Peanut East Elliot #14-14-HID well.

Docket 370-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of Lots 1, 2, 3, 4 (All) of Section 5 and all of Section 8, T24N-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 Brutus-Rachael #8-14-H well.

Docket 371-2007

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

Upon the application of **Enerplus Resources (USA) Corporation** to pool all interests in the spacing unit comprised of Lots 1, 2, 3, 4 (All) of Section 3 and all of Section 10, T24N-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 Brutus East Lewis #3-4-H well.

Docket 372-2007 and 1-2008 FED

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to delineate a 320-acre Red River Formation temporary spacing unit comprised of the SE $\frac{1}{4}$ of Section 8 and the SW $\frac{1}{4}$ of Section 9, T27N-R57E, Roosevelt County, Montana, to directional drill a test well thereon from a surface location 537' FSL and 565' FWL of said Section 9 to a proposed bottom hole location 560' FSL and 369' FWL of said Section 9 as an exception to A.R.M. 36.22.702. Applicant will make application for permanent spacing within 90 days of successful completion of the proposed well and requests this application be placed on the Default Docket.

Docket 373-2007

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of all of Section 6, T27N-R59E, Roosevelt County, Montana, for the Ratcliffe Formation, and to designate the Nelson Ranch 1-6HR well as the authorized well for said spacing unit.

Docket 374-2007

APPLICANT: NANCE PETROLEUM CORPORATION - ROOSEVELT COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to create a permanent spacing unit comprised of the NW $\frac{1}{4}$ of Section 14 and the NE $\frac{1}{4}$ of Section 15, T28N-R58E, Roosevelt County, Montana, for the Nisku Formation, to designate the Granley Unit #1-15 well as the authorized well for said spacing unit, and to authorize the commingling of Nisku Formation production with existing Red River Production from the Granley Unit #1-15H well.

Docket 375-2007

APPLICANT: NANCE PETROLEUM CORPORATION - SHERIDAN COUNTY, MONTANA

Upon the application of **Nance Petroleum Corporation** to drill an additional Red River Formation well in the 320-acre statewide temporary spacing unit comprised of the NE¼ of Section 35 and the NW¼ of Section 36, T34N-R58E, Sheridan County, Montana, said well to be located anywhere within said spacing unit but not closer than 660 feet to the exterior boundaries thereof as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket.

Docket 376-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 112-2006, which delineated all of Sections 17 and 20, T26N-R55E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 377-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 115-2006, which delineated all of Sections 25 and 26, T26N-R54E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 378-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 117-2006, which delineated all of Sections 13 and 24, T26N-R54E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 379-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 121-2006, which delineated all of Sections 20 and 29, T23N-R55E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 380-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 150-2005, which delineated all of Sections 14 and 23, T26N-R54E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 381-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 327-2005, which delineated all of Sections 24 and 25, T26N-R55E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 382-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 328-2005, which delineated all of Sections 21 and 28, T26N-R55E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 383-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 430-2005, which delineated all of Sections 30 and 31, T26N-R54E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 384-2007

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

Upon the application of **Continental Resources, Inc.** to vacate Board Order 514-2005, which delineated all of Sections 23 and 26, T26N-R53E, Richland County, Montana, as a 1280-acre temporary spacing unit for the drilling of a Bakken Formation horizontal test well. Applicant has determined the Bakken Formation in this area can be more efficiently and economically developed under the statewide rule which permits the drilling of one horizontal well per 640 acres. Applicant requests placement on the Default Docket.

Docket 385-2007

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

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation comprised of all of Section 10, T25N-R54E, Richland County, Montana, and to designate the Bidegaray 1-10H well as the authorized well for said spacing unit.

Docket 386-2007

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

Upon the application of **Continental Resources, Inc.** to create a permanent spacing unit for production of oil and associated natural gas from the Red River Formation comprised of the NE¼ of Section 8 and the NW¼ of Section 9, T25N-R55E, Richland County, Montana, and to designate the Irigoin #1-9 well as the authorized well for said spacing unit.

Docket 387-2007

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

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of the NE¼ of Section 8 and the NW¼ of Section 9, T25N-R55E, Richland County, Montana, on the basis of surface acreage for Red River Formation production from the Irigoin #1-9 well, and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 388-2007

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

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Section 21 and 28, T25N-R55E, Richland County, Montana, on the basis of surface acreage for Bakken Formation production from the Barbara #2-28H well, and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 389-2007

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

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 19 and 30, T23N-R56E, Richland County, Montana, on the basis of surface acreage for Bakken Formation production from the Rita #2-19H well, and to authorize recovery of non-joinder penalties in accordance with Section 82-11-202(2), M.C.A.

Docket 390-2007

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

Upon the application of **Continental Resources, Inc.** to confirm that the Sonja #1-34H well is the authorized well for the 640-acre Bakken permanent spacing unit consisting of all of Section 34, T26N-R54E, Richland County, Montana, under the provisions of Docket No. 316-2007. The Sonja #1-34H well initially penetrated the Bakken Formation 644' FNL and 1186' FWL of said Section 34. Applicant requests placement on the Default Docket.

Docket 391-2007

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

Upon the application of **Continental Resources, Inc.** to designate the Staci #2-11H well with a bottom hole location 631' FNL and 658' FEL of Section 11, T23N-R55E, Richland County, Montana, as the second permitted horizontal Bakken Formation well in the permanent spacing unit comprised of all of Sections 11 and 14, T23N-R55E, Richland County, Montana, as an exception to Board Order 324-2005. Applicant requests placement on the Default Docket.

Docket 392-2007

APPLICANT: MCR, LLC – TOOLE COUNTY, MONTANA

Upon the application of **MCR, LLC** to drill an oil well to test the Sunburst Sand Formation in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, T36N-R2E, Toole County, Montana, at a location 2182' FSL and 1539' FEL of said Section 2, as an exception to A.R.M. 36.22.702 and Board Orders 29-63 and 1-65. (Fred & George Creek Field)

Docket 393-2007 and 2-2008 FED

APPLICANT: URSA MAJOR (CROW OG), LLC – BIG HORN COUNTY, MONTANA

Upon the application of **Ursa Major (Crow OG), LLC** to delineate the following governmental quarter sections in Big Horn County, Montana, as 160-acre temporary spacing units for all formations from the surface to the base of the Mowry Shale Formation and to authorize the drilling of a gas test well anywhere in each temporary spacing unit but not closer than 990 feet to the exterior boundaries thereof.

Township 1 South, Range 34 East
Section 8: NW $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 17: NW $\frac{1}{4}$, NE $\frac{1}{4}$
Section 27: NE $\frac{1}{4}$

Township 2 South, Range 34 East
Section 16: SE $\frac{1}{4}$
Section 19: NW $\frac{1}{4}$
Section 29: NE $\frac{1}{4}$, SE $\frac{1}{4}$
Section 31: SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 34: NE $\frac{1}{4}$, SE $\frac{1}{4}$
Section 35: NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$

Docket 394-2007 and 3-2008 FED

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to create a temporary spacing unit comprised of the SE $\frac{1}{4}$ of Section 25 and the NE $\frac{1}{4}$ of Section 36, T30N-R23E, and the SW $\frac{1}{4}$ of Section 30 and the NW $\frac{1}{4}$ of Section 31, T30N-R24E, on the Fort Belknap Indian Reservation in Blaine County, Montana; to authorize the drilling of the 13-30 natural gas test well thereon at a location approximately 618' FSL and 138' FWL of said Section 30 to test all gas bearing formations from the surface to the base of the Ellis Group; and to authorize the commingling of all natural gas producible from multiple formations in the wellbore of said 13-30 well.

Docket 395-2007 and 4-2008 FED

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to create a temporary spacing unit comprised of the S½ of Section 4 and the N½ of Section 9, T31N-R23E, on the Fort Belknap Indian Reservation in Blaine County, Montana, and to authorize the drilling and production of the 1-9 Eagle Formation natural gas test well at a location approximately 429' FNL and 1293' FEL of said Section 9.

Docket 396-2007 and 5-2008 FED

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** to create a temporary spacing unit comprised of the SE¼ of Section 19, the SW¼ of Section 20, the NW¼ of Section 29 and the NE¼ of Section 30, T31N-R24E, on the Fort Belknap Indian Reservation in Blaine County, Montana, and to authorize the drilling and production of the ML&E Stephens White Bear 1-30 Eagle Formation natural gas test well at a location approximately 623' FNL and 371' FEL of said Section 30.

Docket 397-2007 and 6-2008 FED

APPLICANT: MONTANA LAND & EXPLORATION, INC. – BLAINE COUNTY, MONTANA

Upon the application of **Montana Land & Exploration, Inc.** for an exception to A.R.M. 36.22.702 to drill and produce up to four Eagle Formation natural gas tests wells within and upon Section 12, T30N-R23E, on the Fort Belknap Indian Reservation in Blaine County, Montana, with a 990-foot setback from the exterior boundaries of the section. In the alternative, applicant requests that the NW¼, SW¼, NE¼ and SE¼ of said Section 12, T30N-R23E, be designated as separate 160-acre temporary spacing units and that applicant be authorized to drill and produce an Eagle Formation natural gas well within and upon each temporary spacing unit.

Docket 250-2007
Continued from July 2007

APPLICANT: STONE ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **Stone Energy Corporation** to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of all of Sections 35 and 36, T23N-R58E, 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 269-2007
Continued from July 2007

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

Upon the application of **Chesapeake Operating, Inc.** to create a permanent spacing unit comprised of the SE¼ of Section 18, T26N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Madison Group (Ratcliffe/Mission Canyon commingled) through the wellbore of applicant's Hardy #1-18 well located 2110' FSL and 1915' FEL of said Section 18.

Docket 270-2007
Continued from July 2007

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

Upon the application of **Chesapeake Operating, Inc.** to pool all interests in the spacing unit comprised of the SE $\frac{1}{4}$ of Section 18, T26N-R59E, Richland County, Montana, for production of oil and associated natural gas from the Madison Group (Ratcliffe/Mission Canyon commingled) through the wellbore of applicant's Hardy #1-18 well located 2110' FSL and 1915' FEL of said Section 18, and to authorize recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

Docket 317-2007
Continued from September 2007

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

Upon the application of **Continental Resources, Inc.** for an exception to A.R.M. 36.22.702 to drill a Red River Formation test well in the E $\frac{1}{2}$ of Section 20, T26N-R55E, Richland County, Montana, at a location 2430' FSL and 370' FEL of said Section 20 with a 75-foot tolerance for topographical reasons in any direction except to the east. Applicant requests placement on the Default Docket.

Docket 331-2007
Continued from September 2007

APPLICANT: SAMSON RESOURCES COMPANY – RICHLAND COUNTY, MONTANA

Upon the application of **Samson Resources Company** to authorize production of oil and associated natural gas from the Ratcliffe/Mission Canyon Formations (commingled) through the wellbore of the Rasmussen #2-27 well located 1828' FNL and 515' FEL in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, T26N-R59E, Richland County, Montana, as an exception to A.R.M. 36.22.702. Applicant requests placement on the Default Docket. (Nohly Field)

Docket 334-2007
Continued from September 2007

APPLICANT: PETRO-HUNT, L.L.C. - RICHLAND COUNTY, MONTANA

Upon the application of **Petro-Hunt, L.L.C.** to produce its CP 33D-3-1 vertical Red River Formation well from a bottom hole location 1334' FSL and 2141' FEL of Section 33, T24N-R54E, Richland County, Montana, as an exception to A.R.M. 36.22.702 (5).

Docket 346-2007
Continued from September 2007

APPLICANT: PRESCO, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Presco, Inc.** for a Class II permit to abandon the Lakota injection zone for the Daryle Syme #5-2 well (API # 25-091-21627) in the NWNE of Section 5, T37N-R55E, Dooley Field, Sheridan County, Montana, and recomplete the current injection well in the Muddy Formation to inject produced Ratcliffe water from nearby producing wells into the Muddy Formation at a depth of 3700 – 3750 feet. An aquifer exemption will be requested because the proposed injection zone could contain water with less than 10,000 ppm total dissolved solids. Staff notes this application is eligible for placement on the Default Docket.

Docket 398-2007
SHOW CAUSE HEARING

RESPONDENT: ROCKY MOUNTAIN GAS, INC. – POWDER RIVER COUNTY, MONTANA

Upon the Board's own motion to require **Rocky Mountain Gas, Inc.** to appear and show cause, if any it has, why fines and other penalties should not be imposed for its failure to pay fines and file timely and accurate monthly reports of production for its leases and wells as required by Board rules.

BOARD OF OIL AND GAS CONSERVATION

Terri H. Perrigo
Executive Secretary