

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

IN THE MATTER OF THE APPLICATION OF
ENCORE OPERATING, L.P. FOR CERTIFICATION
OF THE PRODUCTION DECLINE RATE FOR
VARIOUS WELLS IN FALLON COUNTY, MONTANA,
WHICH HAVE BEEN RECOMPLETED AS
HORIZONTAL WELLS.

ORDER NO. 217-2001

Docket No. 199-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. Encore Operating, L.P. has recompleted the following described wells in Fallon County, Montana, as horizontal wells:

API WELL NUMBER	UNIT	WELL NAME AND NUMBER	HORIZONTAL RECOMPLETION DATE
25-025-05695-00-00	Coral Creek	33X-32CCH	July 6, 2001
25-025-05066-00-00	Little Beaver East	34-34REH	June 5, 2001
25-025-05057-00-00	Little Beaver East	44-06REH	April 3, 2001
25-025-21342-00-00	Pennel	21-15BH	April 3, 2001
25-025-05206-00-00	Pennel	22-22BH	July 19, 2001
25-025-21393-00-00	Pennel	24-02H	January 8, 2001
25-025-05383-00-00	Pennel	24-04H	March 6, 2001
25-025-05360-00-00	Pennel	24-10H	January 13, 2001
25-025-05193-00-00	Pennel	24-21BH	July 22, 2001
25-025-05723-00-00	Pennel	24-22BH	March 18, 2001
25-025-05376-00-00	Pennel	42-10H	February 2, 2001
25-025-05207-00-00	Pennel	42-21BH	July 10, 2001

3. The evidence presented at this hearing indicates the production decline rate, based on production through December, 2002, is as set forth in the production forecast attached hereto and by this reference made a part hereof.

BOARD ORDER NO. 217-2001

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the production forecasts for said wells are established as set forth in the exhibit attached hereto. The staff is directed to prepare the appropriate certificate to the Department of Revenue.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
BERCO RESOURCES, LLC TO CERTIFY THE
PRODUCTION DECLINE RATE FOR ITS
HORIZONTAL RECOMPLETION OF THE
ELPEL #2 WELL IN THE WOODROW FIELD
IN DAWSON COUNTY, MONTANA
(API NO. 25-021-21116)

ORDER NO. 218-2001

Docket No. 200-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that the production decline rate for the horizontal recompletion of the Elpel #2 well in the Woodrow Field in Dawson County, Montana, is as set forth in the production forecast attached hereto and by this reference made a part hereof.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the production forecast for the horizontal recompletion of the Elpel #2 well in the Woodrow Field in Dawson County, Montana, is established as set forth in the exhibit attached hereto. The staff is directed to prepare the appropriate certification to the Department of Revenue.

BOARD ORDER NO. 218-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
HOMESTAKE ROYALTY COMPANY TO DRILL
A GAS WELL AT AN EXCEPTION LOCATION IN
SECTION 27, T14N-R55E, DAWSON COUNTY,
MONTANA.

ORDER NO. 219-2001

Docket No. 201-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Homestake Royalty Company is authorized to drill a gas well 660' FSL and 800' FWL of Section 27, T14N-R55E, Dawson County, Montana, with a 100 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 219-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
HOMESTAKE ROYALTY COMPANY TO ALLOW
PRODUCTION TESTING OF ITS GAS CITY #14-27
WELL IN SECTION 27, T14N-R55E, DAWSON
COUNTY, MONTANA.

ORDER NO. 221-2001

Docket No. 202-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Homestake Royalty Company is authorized to production test its Gas City #14-27 well in Section 27, T14N-R55E, Dawson County, Montana, by flaring gas for a period not exceeding ninety (90) days.

BOARD ORDER NO. 221-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
HOMESTAKE OIL & GAS COMPANY TO DRILL
A GAS WELL 232' FNL AND 162' FEL IN
SECTION 3, T13N-R55E, DAWSON COUNTY,
MONTANA, WITH A 100 FOOT TOLERANCE
FOR TOPOGRAPHIC REASONS AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 222-2001

Docket No. 203-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Homestake Oil & Gas Company is authorized to drill a gas well 232' FNL and 162' FEL of Section 3, T13N-R55E, Dawson County, Montana, with a 100 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 222-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
HOMESTAKE OIL & GAS COMPANY TO
PRODUCTION TEST ITS GAS CITY #41-3G
WELL IN SECTION 3, T13N-R55E, DAWSON
COUNTY, MONTANA, BY FLARING GAS FOR
A PERIOD NOT TO EXCEED NINETY DAYS.

ORDER NO. 223-2001

Docket No. 204-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Homestake Oil & Gas Company is authorized to production test its Gas City #41-3G well in Section 3, T13N-R55E, Dawson County, Montana, by flaring gas for a period not to exceed ninety (90) days.

BOARD ORDER NO. 223-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
GREAT NORTHERN DRILLING CO., INC. TO
ENLARGE THE SNOOSE COULEE FIELD
ESTABLISHED BY BOARD ORDERS 12-77,
68-88 AND 32-2000 TO INCLUDE ALL OF
SECTION 7, T35N-R5E, LIBERTY COUNTY,
MONTANA.

ORDER NO. 224-2001

Docket No. 205-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Snoose Coulee Field established by Board Orders 12-77, 68-88 and 32-2000 is enlarged to include all of Section 7, T35N-R5E, Liberty County, Montana.

BOARD ORDER NO. 224-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
SUMMIT RESOURCES, INC. TO DESIGNATE
THE S½NE¼ OF SECTION 13, T34N-R19E,
BLAINE COUNTY, MONTANA, AS AN EIGHTY
ACRE PERMANENT SPACING UNIT FOR
PRODUCTION OF OIL FROM THE BOWES
FORMATION AND DESIGNATING APPLICANT'S
FEDERAL NO. 7-13 WELL AS THE PERMITTED
WELL WITHIN SUCH PERMANENT SPACING
UNIT.

ORDER NO. 225-2001

Docket No. 206-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Summit Resources, Inc. is granted as applied for.

BOARD ORDER NO. 225-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
SUMMIT RESOURCES, INC. TO DESIGNATE
THE NW¹/₄SE¹/₄ OF SECTION 18, T34N-R20E,
BLAINE COUNTY, MONTANA, AS A PERMANENT
SPACING UNIT FOR PRODUCTION OF OIL FROM
THE BOWES FORMATION AND TO DESIGNATE
APPLICANT'S NO. 10-18 WELL AS THE PERMITTED
WELL WITHIN SAID PERMANENT SPACING UNIT.

ORDER NO. 226-2001

Docket No. 207-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Summit Resources, Inc. is granted as applied for.

BOARD ORDER NO. 226-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
GREAT PLAINS OPERATING, L.L.C. TO CREATE
A WATERFLOOD UNIT FOR ENHANCED
RECOVERY PURPOSES FROM THE LOWER
TYLER SAND UNDERLYING THE SE¼ OF
SECTION 26, T11N-R32E, ROSEBUD COUNTY,
MONTANA. [CARLSON (LOWER TYLER SAND)
UNIT]

ORDER NO. 227-2001

Docket No. 208-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. Applicant proposes to create a waterflood unit for enhanced recovery purposes from the Lower Tyler Sand underlying the SE ¼ of Section 26, T11N-R32E, Rosebud County, Montana, and injecting water from the Madison Formation through its Sawyer #1A WIW in the NESE of Section 26, T11N-R32E, at a rate of 500-1500 barrels of water per day. Applicant requests that all drilling and spacing orders affecting the lands proposed to be unitized be rescinded and that applicant be allowed to drill wells at new locations or convert existing wells to injection wells within the unit area but not closer than 330 feet to the unit area boundary.

Applicant has more than 80 percent of the working interest in the proposed unit but does not have the required 80 percent of the royalty interests.

3. Granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Great Plains Operating, L.L.C. for approval of the Carlson (Lower Tyler Sand) Unit is granted as applied for subject to the condition that within six months of the date of this order applicant submits proof of approval by at least 80 percent of the royalty interests in the proposed unit area to the Administrator. If the Administrator finds such proof sufficient, he is authorized to give Great Plains Operating, L.L.C. permission to proceed with unit operations.

BOARD ORDER NO. 227-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
J. BURNS BROWN OPERATING COMPANY
TO DRILL AN EAGLE FORMATION GAS WELL
IN A 640 ACRE TEMPORARY SPACING UNIT
CONSISTING OF THE S½ OF SECTION 25 AND
THE N½ OF SECTION 36, BOTH IN T34N-R14E,
HILL COUNTY, MONTANA, AT A LOCATION 50' FSL
AND 2640' FEL OF SAID SECTION 25 WITH A 100
FOOT TOLERANCE FOR TOPOGRAPHIC REASONS
AND TO DESIGNATE THE N½ OF SECTION 25 AND
THE S½ OF SECTION 36, BOTH IN T34N-R14E, AS 320
ACRE TEMPORARY SPACING UNITS FOR THE EAGLE
FORMATION WITH 990 FOOT SETBACKS.

ORDER NO. 228-2001

Docket No. 209-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Board member Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of J. Burns Brown Operating Company is granted as applied for.

BOARD ORDER NO. 228-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
J. BURNS BROWN OPERATING COMPANY TO
DRILL AN EAGLE FORMATION GAS WELL IN
A TEMPORARY SPACING UNIT CONSISTING OF
THE W $\frac{1}{2}$ OF SECTION 25 AND THE E $\frac{1}{2}$ OF
SECTION 26, BOTH IN T36N-R17E, BLAINE
COUNTY, MONTANA, AT A LOCATION
2500' FSL AND 20' FEL OF SAID SECTION 26
WITH A 100 FOOT TOLERANCE FOR
TOPOGRAPHIC REASONS AND THAT THE E $\frac{1}{2}$
OF SECTION 25 AND W $\frac{1}{2}$ OF SECTION 26, BOTH
IN T36N-R17E, BE DESIGNATED 320 ACRE
TEMPORARY SPACING UNITS FOR THE EAGLE
FORMATION WITH 990 FOOT SETBACKS FOR
ANY WELL DRILLED IN SUCH UNITS.

ORDER NO. 229-2001

Docket No. 210-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Board member Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of J. Burns Brown Operating Company is granted as applied for.

BOARD ORDER 229-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
PANCANADIAN PETROLEUM LIMITED TO
DRILL A NATURAL GAS WELL 2536' FEL
AND 217' FNL OF SECTION 21, T34N-R7E,
LIBERTY COUNTY, MONTANA, WITH A
75 FOOT TOLERANCE FOR TOPOGRAPHIC
REASONS AS AN EXCEPTION TO A.R.M.
36.22.702.

ORDER NO. 230-2001

Docket No. 216-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that PanCanadian Petroleum Limited is authorized to drill a natural gas well 2440' FEL and 169' FNL of Section 21, T34N-R7E, Liberty County, Montana, with a 75 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well and that all proceeds of production be held in interest bearing escrow accounts until said permanent spacing is established.

BOARD ORDER NO. 230-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

Gary Willis, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary

THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF
PANCANADIAN PETROLEUM LIMITED TO
DRILL A NATURAL GAS WELL 1778' FWL
AND 100' FNL OF SECTION 20, T35N-R7E,
LIBERTY COUNTY, MONTANA, WITH A
75 FOOT TOLERANCE FOR TOPOGRAPHIC
REASONS AS AN EXCEPTION TO A.R.M.
36.22.702.

ORDER NO. 231-2001

Docket No. 222-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that PanCanadian Petroleum Limited is authorized to drill a natural gas well 1766' FWL and 79' FNL of Section 20, T35N-R7E, Liberty County, Montana, with a 75 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well and that all proceeds of production be held in interest bearing escrow accounts until said permanent spacing is established.

BOARD ORDER NO. 231-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
PANCANADIAN PETROLEUM LIMITED TO
DRILL A NATURAL GAS WELL 79' FEL AND
1385' FSL OF SECTION 25, T34N-R7E, LIBERTY
COUNTY, MONTANA, WITH A 75 FOOT
TOLERANCE FOR TOPOGRAPHIC REASONS AS
AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 232-2001

Docket No. 224-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application as hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that PanCanadian Petroleum Limited is authorized to drill a natural gas well 154' FEL and 1385' FSL of Section 25, T34N-R7E, Liberty County, Montana, with a 75 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHERED ORDERED that applicant shall apply for permanent spacing within ninety (90) days of completion of a successful well and all proceeds of production shall be held in an interest bearing escrow account until permanent spacing is established for said well.

BOARD ORDER NO. 232-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
PANCANADIAN PETROLEUM LIMITED TO
DRILL A NATURAL GAS WELL 140' FWL AND
190' FSL IN SECTION 11, T34N-R7E, LIBERTY
COUNTY, MONTANA, WITH A 75 FOOT
TOLERANCE IN ANY DIRECTION FOR
TOPOGRAPHIC REASONS AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 233-2001

Docket No. 225-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that PanCanadian Petroleum Limited is authorized to drill a natural gas well 140' FWL and 190' FSL of Section 11, T34N-R7E, Liberty County, Montana, with a 75 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within ninety (90) days of completion of a successful well and that all proceeds from production shall be held in interest bearing escrow accounts until said well is permanently spaced.

BOARD ORDER NO. 233-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
XENO, INC. TO DRILL TWO ADDITIONAL EAGLE
FORMATION NATURAL GAS WELLS IN SECTION 36,
T35N-R21E, BLAINE COUNTY, MONTANA, AND TO
PRODUCE SAME AS AN EXCEPTION TO
A.R.M. 36.22.702.

ORDER NO. 234-2001

Docket No. 226-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place, testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Xeno, Inc. is authorized to drill two additional Eagle Formation natural gas wells in Section 36, T35N-R21E, Blaine County, Montana, and to produce same as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that said wells be located not closer than 990 feet to the exterior boundaries of said Section 36.

BOARD ORDER NO. 234-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
XENO, INC. TO DRILL AND PRODUCE FOUR
EAGLE FORMATION GAS WELLS IN SECTION 6,
T34N-R21E, BLAINE COUNTY, MONTANA, AS
AN EXCEPTION TO A.R.M. 36.22.702 AND BOARD
ORDER 62-93.

ORDER NO. 235-2001

Docket No. 227-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Applicant requests permission to drill and produce four Eagle Formation gas wells in Section 6, T34N-R21E, Blaine County, Montana, as an exception to A.R.M. 36.22.702 and Board Order 62-93. Applicant's first proposed well would be located 1206' FEL and 577' FNL of said Section 6 and its three proposed additional wells would be not closer than 990 feet to Section boundaries.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Xeno, Inc. is granted as applied for with the additional provision that all proceeds from said wells be placed in interest bearing escrow accounts until the section has been permanently spaced.

IT IS FURTHER ORDERED that this order does not apply to federal lands until the operator has submitted and received approval of a communitization agreement from the appropriate federal agency.

BOARD ORDER NO. 235-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
FIDELITY EXPLORATION & PRODUCTION
COMPANY TO CREATE 320 ACRE PERMANENT
SPACING UNITS FOR PRODUCTION OF GAS
FROM THE EAGLE FORMATION UNDER THE
FOLLOWING LANDS IN FALLON, COUNTY,
MONTANA, EACH UNIT TO BE COMPRISED AT
THE OPTION OF THE OPERATOR OF TWO
ADJACENT QUARTER SECTIONS LYING WITHIN
THE FOLLOWING DESCRIBED SECTIONS WITH
TWO PERMITTED WELLS PER SPACING UNIT TO BE
LOCATED NOT CLOSER THAN 660 FEET TO THE
UNIT BOUNDARIES: E½ OF SECTION 1, T10N-R57E;
ALL OF SECTIONS 7, 17, 21 AND 33, THE W½ OF
SECTION 27 AND THE E½ OF SECTION 29, ALL IN
T10N-R58E; AND THE W½ OF SECTION 31, T11N-R58E;
AND ON SAID COMPANY'S REQUEST THAT THE N½
OF SECTION 3, T9N-R58E, FALLON COUNTY, MONTANA,
BE ADDED TO THE CEDAR CREEK GAS FIELD
ESTABLISHED BY BOARD ORDERS 1-61 AND 4-97.

ORDER NO. 236-2001

Docket No. 228-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Fidelity Exploration & Production Company is granted as applied for.

BOARD ORDER NO. 236-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE SAND FORMATION GAS WELL
900' FSL AND 1700' FWL OF SECTION 36,
T27N-R17E, BLAINE COUNTY, MONTANA,
WITH A 100 FOOT TOLERANCE FOR TOPOGRAPHIC
REASONS AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 237-2001

Docket No. 229-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy Resources, Inc. is granted as applied for.

BOARD ORDER NO. 237-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN ADDITIONAL EAGLE-VIRGELLE FORMATION
GAS WELL 2102' FNL AND 2003' FEL OF SECTION 33,
T27N-R17E, CHOUTEAU COUNTY, MONTANA, WITH
A 75 FOOT TOLERANCE FOR TOPOGRAPHIC REASONS
AS AN EXCEPTION TO THE BULLWACKER FIELD
RULES ESTABLISHED BY BOARD ORDER 26-74.

ORDER NO. 238-2001

Docket No. 230-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an additional Eagle-Virgelle Formation gas well 2102' FNL and 2003' FEL of Section 33, T27N-R17E, Chouteau County, Montana.

BOARD ORDER NO. 238-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN ADDITIONAL EAGLE-VIRGELLE FORMATION
GAS WELL 1800' FSL AND 200' FEL OF THE S½ OF
SECTION 21, T27N-R16E, CHOUTEAU COUNTY,
MONTANA, WITH A 100 FOOT TOLERANCE FOR
TOPOGRAPHIC REASONS AS AN EXCEPTION TO
THE BULLWACKER FIELD RULES ESTABLISHED
BY BOARD ORDER 26-74.

ORDER NO. 239-2001

Docket No. 231-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an additional Eagle-Virgelle Formation gas well 1800' FSL and 200' FEL of Section 21, T27N-R16E, Chouteau County, Montana, with a 100 foot tolerance for topographic reasons as an exception to the Bullwacker Field rules established by Board Order 26-74.

IT IS FURTHER ORDERED that payment of royalties on production shall be suspended and placed in interest bearing escrow accounts until agreement is reached between the royalty and other interest owners.

BOARD ORDER NO. 239-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE-VIRGELLE FORMATION GAS WELL
852' FNL AND 2188' FEL OF SECTION 19, T27N-R17E,
CHOUTEAU COUNTY, MONTANA, WITH A 75 FOOT
TOLERANCE FOR TOPOGRAPHIC REASONS AS AN
EXCEPTION TO THE BULLWACKER FIELD RULES
ESTABLISHED BY BOARD ORDER 26-74.

ORDER NO. 240-2001

Docket No. 232-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle-Virgelle Formation gas well 852' FNL and 2188' FEL of Section 19, T27N-R17E, Chouteau County, Montana, as an exception to the Bullwacker Field rules established by Board Order 26-74.

BOARD ORDER NO. 240-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE SAND FORMATION GAS WELL AT AN
EXCEPTION LOCATION IN THE N½ OF SECTION 33,
T28N-R19E, BLAINE COUNTY, MONTANA, AS AN
EXCEPTION TO THE SAWTOOTH MOUNTAIN FIELD
RULES ESTABLISHED BY BOARD ORDERS 45-76 AND
62-89.

ORDER NO. 241-2001

Docket No. 233-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle Sand Formation gas well 1902' FNL and 2053' FEL of Section 33, T28N-R19E, Blaine County, Montana, as an exception to the Sawtooth Mountain Field rules established by Board Orders 45-76 and 62-89.

BOARD ORDER NO. 241-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE SAND FORMATION GAS WELL 2005'
FNL AND 580' FEL OF SECTION 19, T27N-R19E,
BLAINE COUNTY, MONTANA, AS AN EXCEPTION
TO THE SAWTOOTH MOUNTAIN FIELD RULES
ESTABLISHED BY BOARD ORDER 45-76.

ORDER NO. 242-2001

Docket No. 234-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle Sand Formation gas well 2021' FNL and 543' FEL of Section 19, T27N-R19E, Blaine County, Montana, as an exception to the Sawtooth Mountain Field rules established by Board Order 45-76.

BOARD ORDER NO. 242-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE SAND FORMATION GAS WELL 1950' FNL
AND 2600' FWL OF SECTION 21, T27N-R18E, BLAINE
COUNTY, MONTANA, WITH A 100 FOOT TOLERANCE
FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO
THE SAWTOOTH MOUNTAIN FIELD RULES
ESTABLISHED BY BOARD ORDERS 45-76 AND 23-99.

ORDER NO. 243-2001

Docket No. 235-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy Resources, Inc. is granted as applied for.

BOARD ORDER NO. 243-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DRILL
AN EAGLE SAND FORMATION GAS 544' FSL AND
142' FWL OF SECTION 1, T27N-R18E, BLAINE
COUNTY, MONTANA, AS AN EXCEPTION TO THE
SAWTOOTH MOUNTAIN FIELD RULES ESTABLISHED
BY BOARD ORDERS 45-76 AND 25-99.

ORDER NO. 244-2001

Docket No. 237-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy Resources, Inc. is authorized to drill an Eagle Sand Formation gas well 544' FSL and 142' FWL of Section 1, T27N-R18E, Blaine County, Montana.

IT IS FURTHER ORDERED that royalties on production from the well here authorized shall not be disbursed until the mineral owners of adjoining sections agree on the appropriate disposition of royalties. Should they fail to do so within ninety days of commencement of production from said well, Ocean Energy Resources, Inc. shall apply to the Board for appropriate relief.

BOARD ORDER NO. 244-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DESIGNATE
THE NE¼ OF SECTION 20, T27N-R18E, AS A
PERMANENT SPACING UNIT FOR PRODUCTION
OF EAGLE SAND FORMATION GAS AND TO DRILL
AN EAGLE SAND FORMATION GAS WELL 2300'
AND 610' FEL OF SECTION 20, T27N-R18E, BLAINE
COUNTY, MONTANA, WITH A 100 FOOT TOLERANCE
FOR TOPOGRAPHIC REASONS AS AN EXCEPTION
TO A.R.M. 36.22.702.

ORDER NO. 245-2001

Docket No. 241-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that this order does not apply to federal lands until the operator has submitted and received approval of a communitization agreement from the appropriate federal agency.

BOARD ORDER NO. 245-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
OCEAN ENERGY RESOURCES, INC. TO DESIGNATE
THE SE ¼ OF SECTION 20, T27N-R18E, BLAINE
COUNTY, MONTANA, AS A PERMANENT SPACING
UNIT FOR PRODUCTION OF EAGLE SAND FORMATION
GAS WITH THE MOORE #20-16-27-18 WELL AS THE
PERMITTED WELL FOR SAID PERMANENT SPACING
UNIT.

ORDER NO. 246-2001

Docket No. 242-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy Resources, Inc. is granted as applied for.

BOARD ORDER NO. 246-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

I abstain.

Allen Kolstad, Board Member

I dissent. 160 acre spacing is inconsistent with established Eagle spacing for the area.

Jack King, Board Member

I dissent. The different conclusions from testimony From expert witnesses doesn't warrant granting exceptions from statewide drillings and spacing rules and procedures.

Elaine Mitchell, Board Member

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

IN THE MATTER OF THE APPLICATION OF
BERCO RESOURCES, LLC TO AMEND BOARD
ORDER 9-98 TO PERMIT THE DRILLING OF A
SECOND RED RIVER WELL IN THE PERMANENT
SPACING UNIT CONSISTING OF THE SW¼ OF
SECTION 28, E½SE¼ OF SECTION 29, NE¼NE¼
OF SECTION 32 AND THE N½NW¼ OF SECTION 33,
ALL IN T23N-R57E, RICHLAND COUNTY, MONTANA,
AT A LOCATION NOT LESS THAN 660 FEET FROM THE
SPACING UNIT BOUNDARIES.

ORDER NO. 247-2001

Docket No. 150-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Berco Resources, L.L.C. is granted as applied for.

BOARD ORDER NO. 247-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
BERCO RESOURCES, L.L.C. TO AMEND THE
LONETREE CREEK FIELD RULES ESTABLISHED
BY BOARD ORDERS 29-72, 50-95 AND 87-2000 TO
PERMIT THE DRILLING OF A SECOND INTERLAKE/
RED RIVER WELL IN THE W½ OF SECTION 9, T24N-R57E,
RICHLAND COUNTY, MONTANA, AT A LOCATION
2140' FWL AND 1350' FNL WITH A 75 FOOT TOLERANCE
FOR TOPOGRAPHIC REASONS.

ORDER NO. 248-2001

Docket No. 151-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Berco Resources, L.L.C. is granted as applied for.

BOARD ORDER NO. 248-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

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

IN THE MATTER OF THE APPLICATION OF
CROFT PETROLEUM CO. TO DESIGNATE
THE W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, AND SE $\frac{1}{4}$ OF SECTION 22,
T36N-R6E, LIBERTY COUNTY, MONTANA,
AS A 560 ACRE PERMANENT SPACING UNIT
FOR PRODUCTION OF GAS FROM ALL
CRETACEOUS PERIOD FORMATIONS AND
PERMITTING UP TO FOUR WELLS TO BE
DRILLED AND COMPLETED IN A
CRETACEOUS PERIOD FORMATION IN SAID
PERMANENT SPACING UNIT. [EAST KEITH FIELD]

ORDER NO. 220-2001

Docket No. 177-2001

Report of the Board

The above entitled cause came on regularly for hearing on the 13th day of December, 2001, in the Billings Petroleum Club, Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Croft Petroleum Co. for a 560 acre permanent spacing unit is granted as applied for.

IT IS FURTHER ORDERED that applicant is authorized to commingle production from the Cretaceous Period Formations in any well drilled and completed in the spacing unit.

IT IS FURTHER ORDERED that the Shoemaker #9-22 well in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, T36N-R6E, Liberty County, Montana, is designated as the initial approved well in said permanent spacing unit and commingling of White Specks and Spikes production in said well is authorized.

IT IS FURTHER ORDERED that additional wells in said spacing unit must be located not closer than 660 feet to the exterior boundaries of said spacing unit and bordering wells may also be drilled 660 feet from the boundaries of the permanent spacing unit here created.

IT IS FURTHER ORDERED that all parties and interests in the 80 acres excluded from the Section 22 spacing unit here authorized negotiate a fair and just border agreement and report back thereon to this Board at its regularly scheduled public hearing February 7, 2002.

BOARD ORDER NO. 220-2001

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of December, 2001.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice-Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

Allen Kolstad, Board Member

Elaine Mitchell, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary