

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

IN THE MATTER OF THE APPLICATION OF
CHESAPEAKE OPERATING, INC. TO DRILL
A RED RIVER OIL AND GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 32,
T26N-R57E, RICHLAND COUNTY, MONTANA.

ORDER NO. 29-2002

Docket No. 47-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Chesapeake Operating, Inc. is authorized to drill a Red River oil and gas well to an approximate depth of 12,650 feet at a location 500' FSL and 1500' FWL of Section 32, T26N-R57E, Richland County, Montana, with a 75 foot topographic tolerance in any direction but South as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that Chesapeake Operating, Inc. shall apply for permanent spacing of said well within ninety (90) days of its successful completion and that all proceeds from said well be placed in escrow until the well has been permanently spaced.

BOARD ORDER NO. 29-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC. TO
DRILL A NATURAL GAS WELL AT AN EXCEPTION
LOCATION IN SECTION 12, T34N-R7E, LIBERTY
COUNTY, MONTANA.

ORDER NO. 30-2002

Docket No. 50-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 497' FEL and 658' FSL of Section 12, T34N-R7E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 30-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC.
TO DRILL A NATURAL GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 17,
T34N-R6E, LIBERTY COUNTY, MONTANA.

ORDER NO. 31-2002

Docket No. 51-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 1587' FEL and 378' FSL of Section 17, T34N-R6E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 31-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC.
TO DRILL A NATURAL GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 23,
T34N-R6E, LIBERTY COUNTY, MONTANA.

ORDER NO. 32-2002

Docket No. 52-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 542' FWL and 215' FSL of Section 23, T34N-R6E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 32-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC.
TO DRILL A NATURAL GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 23,
T35N-R7E, LIBERTY COUNTY, MONTANA.

ORDER NO. 33-2002

Docket No. 53-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 2369' FEL and 229' FSL of Section 23, T35N-R7E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 33-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC.
TO DRILL A NATURAL GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 27,
T36N-R6E, LIBERTY COUNTY, MONTANA.

ORDER NO. 34-2002

Docket No. 54-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 2490' FEL and 180' FSL of Section 27, T36N-R6E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 34-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC. TO
DRILL A NATURAL GAS WELL AT AN EXCEPTION
LOCATION IN SECTION 35, T36N-R7E, LIBERTY
COUNTY, MONTANA.

ORDER NO. 35-2002

Docket No. 55-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 1340' FEL and 180' FSL of Section 35, T36N-R7E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 35-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 ENERGY RESOURCES INC.
TO DRILL A NATURAL GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 11,
T36N-R7E, LIBERTY COUNTY, MONTANA.

ORDER NO. 36-2002

Docket No. 56-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Energy Resources Inc. is authorized to drill a natural gas well 1954' FEL and 160' FNL of Section 11, T36N-R7E, Liberty County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should the well be successful, applicant shall apply for spacing within ninety (90) days of completion and all proceeds from said well shall be held in escrow until permanent spacing of the well.

BOARD ORDER NO. 36-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
HEADINGTON OIL, LIMITED PARTNERSHIP
TO REMOVE ALL OF FRACTIONAL SECTION 17
AND ALL OF FRACTIONAL SECTION 20, T22N-R60E,
RICHLAND COUNTY, MONTANA, FROM THE
MONDAK WEST FIELD AND TO CREATE A
TEMPORARY SPACING UNIT FOR THE DRILLING
OF A VERTICAL RED RIVER WELL IN SAID
SECTION 17.

ORDER NO. 37-2002

Docket No. 57-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Board Order 42-77 is amended to remove all of fractional Section 17 and all of fractional Section 20, T22N-R60E, Richland County, Montana, from the Mondak West Field.

IT IS FURTHER ORDERED that Lots 3, 4, SW $\frac{1}{4}$ of Section 17, and Lots 1, 2, NW $\frac{1}{4}$ of Section 20, all in T22N-R60E, Richland County, Montana, are designated as a temporary spacing unit for the drilling of a vertical well to the Red River Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill its proposed Red River test well 615' FSL and 410' FEL of said Section 17.

BOARD ORDER NO. 37-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
ENCORE OPERATING, LP TO “ CLARIFY AND
CONFIRM” THAT THE UNIT AGREEMENT FOR
THE PENNEL UNIT APPROVED BY BOARD
ORDER 24-68 PERMITS THE INSTITUTION OF
A TERTIARY RECOVERY PROJECT WITHIN SAID
UNIT BY INJECTION OF HIGH PRESSURE AIR,
CARBON DIOXIDE OR NITROGEN.

ORDER NO. 38-2002

Docket No. 87-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 application should be granted as applied for.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Unit Agreement for the Pennel Unit approved by Board Order 24-68 does permit institution of a tertiary recovery project within said Unit by injection of high-pressure air, carbon dioxide or nitrogen.

BOARD ORDER NO. 38-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
ENCORE OPERATING, LP TO CERTIFY THE
PENNEL UNIT AREA, FALLON COUNTY,
MONTANA, AS A TERTIARY RECOVERY
PROJECT EFFECTIVE FEBRUARY 1, 2002, AND
TO CERTIFY THE PRODUCTION DECLINE RATES
USED TO CALCULATE INCREMENTAL PRODUCTION
IN THE PROJECT AREA.

ORDER NO. 39-2002

Docket No. 88-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Pennel Unit Area, Fallon County, Montana, is hereby certified as a tertiary recovery project effective as of February 1, 2002.

IT IS FURTHER ORDERED that the decline rate and production forecast be based upon the average production rate for the three months immediately preceding the effective date of the tertiary recovery project and declining thereafter at the rate set forth in the attached Exhibit. The staff is directed to prepare the appropriate certificate to the Department of Revenue.

IT IS FURTHER ORDERED that, should an expansion of the project area occur, the production forecast to be used in the calculation of incremental production of the new project area shall be developed by adding the production forecast for the expansion area to any existing forecast.

IT IS FURTHER ORDERED that future expansion of this tertiary recovery project may be administratively certified and will become effective on the first day of the quarter following the application for expansion.

BOARD ORDER NO. 39-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, 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
ENCORE OPERATING, LP TO DRILL A
HORIZONTAL PENNEL UNIT WELL AT AN
EXCEPTION LOCATION IN SECTION 5, T8N-R59E,
FALLON COUNTY, MONTANA.

ORDER NO. 40-2002

Docket No. 89-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Encore Operating, LP is authorized to drill a horizontal Pennel Unit well in the NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, T8N-R59E, Fallon County, Montana, at a surface location 928' FNL and 1693' FEL and a bottom hole location 660' FEL and 1550' FSL of said Section 5 with portions of the horizontal borehole closer than 660 feet to the Pennel Unit Boundary as an exception to Board Order 74-99.

BOARD ORDER NO. 40-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Denzil Young, Vice Chairman

Jerry Kennedy, 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
ENCORE OPERATING, LP TO DRILL A
HORIZONTAL CABIN CREEK UNIT WELL AT
AN EXCEPTION LOCATION IN SECTION 31,
T11N-R58E, FALLON COUNTY, MONTANA.
[CABIN CREEK FIELD]

ORDER NO. 41-2002

Docket No. 90-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Encore Operating, LP is authorized to drill a horizontal Cabin Creek Unit well in the NW¹/₄ of Section 31, T11N-R58E, and the S¹/₂NE¹/₄ of Section 36, T11N-R57E, Fallon County, Montana, with a surface location 645' FNL and 1682' FWL of said Section 31 and a bottom hole location 900' FEL and 2200' FNL of said Section 36 with portions of the horizontal borehole closer than 660 feet to the Cabin Creek Unit boundary as an exception to the Cabin Creek Field Rules.

BOARD ORDER NO. 41-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
HIGHLINE EXPLORATION, INC. TO ENLARGE
THE TOLUCA GAS FIELD ESTABLISHED BY
BOARD ORDER 28-83.

ORDER NO. 42-2002

Docket No. 91-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Board Order 28-83 is amended to enlarge the Toluca Gas Field to include the following described lands in Big Horn County, Montana:

Township 1 South, Range 31 East

Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
Section 31: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

Township 2 South, Range 31 East

Section 1: Lots 1, 2, 3, 4, N $\frac{1}{2}$
Section 2: Lots 1, 2, 3, 4, N $\frac{1}{2}$
Section 3: Lots 1, 2, 3, 4, N $\frac{1}{2}$
Section 4: Lots 1, 2, 3, 4, N $\frac{1}{2}$
Section 5: Lots 1, 2, 3, 4, N $\frac{1}{2}$
Section 6: Lots 1, 2, 3, 4, 5, 6, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

BOARD ORDER NO. 42-2002

Township 1 South, Range 32 East

Section 25: Lots 1, 2, 3, 4, W $\frac{1}{2}$

Section 26: All

Section 27: All

Section 28: All

Section 29: All

Section 30: All

Section 31: All

Section 32: All

Section 33: All

Section 34: All

Section 35: All

Section 36: Lots 1, 2, 3, 4, W $\frac{1}{2}$

Township 2 South, Range 32 East

Section 1: Lots 1, 2, 3, 4, 5, 7, 8, S $\frac{1}{2}$ NW $\frac{1}{4}$

Section 2: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$

Section 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$

Section 4: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$

Section 5: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$

Section 6: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$

Township 1 South, Range 33 East

Section 28: All

Section 29: All

Section 30: All

Section 31: Lots 1, 2, 3, 4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 32: Lots 1, 2, 3, 4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 2 South, Range 33 East

Section 4: Lots 1, 2, 3, 4, 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 5: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 6: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
OCEAN ENERGY, INC. TO DRILL AN ADDITIONAL
EAGLE FORMATION GAS WELL AT AN EXCEPTION
LOCATION IN SECTION 34, T31N-R19E, BLAINE
COUNTY, MONTANA.

ORDER NO. 43-2002

Docket No. 92-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Ocean Energy, Inc. is authorized to drill an additional Eagle Formation gas well in Section 34, T31N-R19E, Blaine County, Montana 1180' FNL and 2100' FEL of said Section 34 with a 200 foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 43-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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, INC. TO DRILL A NATURAL
GAS WELL AT AN EXCEPTION LOCATION IN
SECTION 19, T30N-R16E, HILL COUNTY, MONTANA.
[TIGER RIDGE FIELD]

ORDER NO. 44-2002

Docket No. 93-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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, Inc. is authorized to drill its Boyce #19-10-30-16 well 2040' FSL and 1695' FEL of Section 19, T30N-R16E, Hill County, Montana, with a 200 foot tolerance in any direction for topographic reasons as an exception to the Tiger Ridge Field rules established by Board Orders 10-70 and 66-91.

BOARD ORDER NO. 44-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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, INC. TO DRILL A NATURAL
GAS WELL AT AN EXCEPTION LOCATION
IN SECTION 27, T32N-R17E, HILL COUNTY,
MONTANA. [TIGER RIDGE FIELD]

ORDER NO. 45-2002

Docket No. 94-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Ocean Energy, Inc. is authorized to drill its Davey #27-9-32-17 well 1700' FSL and 925' FEL of Section 27, T32N-R17E, Hill County, Montana, with a 200 foot tolerance in any direction other than East for topographic reasons and a 100 foot tolerance to the East for topographic reasons as an exception to Board Orders 10-70 and 25-89.

BOARD ORDER NO. 45-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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, INC. TO DRILL A NATURAL
GAS WELL AT AN EXCEPTION LOCATION IN
SECTION 14, T32N-R15E, HILL COUNTY,
MONTANA [TIGER RIDGE FIELD]

ORDER NO. 46-2002

Docket No. 95-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 its Buttrey #14-7-32-15 well at a location 2633' FNL and 2304' FEL of Section 14, T32N-R15E, Hill County, Montana, as an exception to the Tiger Ridge Field rules established by Board Orders 10-70 and 73-2000.

BOARD ORDER NO. 46-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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, INC. TO DRILL AN ADDITIONAL
EAGLE SAND FORMATION GAS WELL IN
SECTION 33, T30N-R15E, HILL COUNTY, MONTANA,
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 47-2002

Docket No. 100-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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, Inc. is authorized to drill an additional Eagle Sand Formation gas well 95' FNL and 1715' FEL of Section 33, T30N-R15E, Hill 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 all proceeds from said well when completed shall be held in escrow pending the completion of a border agreement with the Bullhook Unit owners.

BOARD ORDER NO. 47-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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, INC. TO DRILL AN ADDITIONAL
EAGLE FORMATION GAS WELL AT AN
EXCEPTION LOCATION IN SECTION 34,
T30N-R15E, HILL COUNTY, MONTANA.
[TIGER RIDGE FIELD]

ORDER NO. 48-2002

Docket No. 101-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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, Inc. is authorized to drill its Boyce #34-3B-30-15 well 415' FNL and 2600' FWL of Section 34, T30N-R15E, Hill County, Montana, with a 200 foot tolerance in any direction for topographic reasons as an exception to Board Orders 10-70, 10-90 and 30-96.

IT IS FURTHER ORDERED that all proceeds from said well be held in escrow until completion of a border agreement with the Bullhook Unit owners.

BOARD ORDER NO. 48-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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 CONVERT ITS
SALT WATER DISPOSAL WELL IN SECTION 4,
T24N-R57E, RICHLAND COUNTY, MONTANA,
TO A DAKOTA SALT WATER DISPOSAL WELL.

ORDER NO. 49-2002

Docket No. 102-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Berco Resources, LLC is authorized to convert its Simonsen A-1-4 Mission Canyon salt water disposal well located 960' FSL and 1400' FEL of Section 4, T24N-R57E, Richland County, Montana, to a Dakota (Muddy/Fall River) salt water disposal well in the interval 5605 feet to 5765 feet subject to the following conditions:

1. Cement must be emplaced on the backside of the casing above and below the injection zone.
2. A retainer or other plug must be set at plus or minus 5800 feet.
3. Maximum surface injection pressure is limited to 1317 psig.
4. A successful mechanical integrity test must be performed prior to injecting.

BOARD ORDER NO. 49-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
NANCE PETROLEUM CORPORATION TO
DESIGNATE THE E½ OF SECTION 34, T28N-R57E,
ROOSEVELT COUNTY, MONTANA, AS A
PERMANENT SPACING UNIT FOR THE NISKU
FORMATION AND TO DESIGNATE THE
GRINDLAND #16-34 WELL AS THE PERMITTED
WELL IN SUCH SPACING UNIT. [BAINVILLE
WEST FIELD]

ORDER NO. 50-2002

Docket No. 85-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 Nance Petroleum Corporation is granted as applied for.

BOARD ORDER NO. 50-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
NANCE PETROLEUM CORPORATION TO POOL
ALL INTERESTS FOR THE PRODUCTION OF OIL
AND GAS FROM THE NISKU FORMATION FROM
THE E½ OF SECTION 34, T28N-R57E, ROOSEVELT
COUNTY, MONTANA. [WEST BAINVILLE FIELD]

ORDER NO. 51-2002

Docket No. 86-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. 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 all interests in production of oil and gas from the Nisku Formation underlying the E½ of Section 34, T28N-R57E, Roosevelt County, Montana (West Bainville Field), are hereby pooled on the basis of surface acreage.

BOARD ORDER NO. 51-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

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

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
NANCE PETROLEUM CORPORATION TO
DESIGNATE THE E½ OF SECTION 2, T27N-R58E,
ROOSEVELT COUNTY, MONTANA, AS A 320 ACRE
PERMANENT SPACING UNIT FOR THE NISKU
FORMATION AND TO DESIGNATE THE LARSEN
FARMS #1-2 WELL AS THE PERMITTED WELL FOR
SAID SPACING UNIT. [BAINVILLE II FIELD]

ORDER NO. 52-2002

Docket No. 30-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 21st day of March, 2002, 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 Allen Kolstad was absent. Board member Denzil Young dissented and Board member Elaine Mitchell abstained from voting in this matter. 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 Larsen Farms #1-2 well was originally drilled as a Red River well with a designated spacing unit of the E½ of Section 2, T27N-R58E, Roosevelt County, Montana. The well was recompleted in the Nisku Formation late in 2001. The Nisku Formation in this area is at a depth which, under statewide temporary spacing rules, requires a temporary spacing unit of 160 acres. Royalties from the Nisku production have been paid on that basis up to this date.
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 Nance Petroleum Corporation to designate the E½ of Section 2, T27N-R58E, Roosevelt County, Montana, as a 320 acre permanent spacing unit for the Nisku Formation and to designate the Larsen Farms #1-2 well as the permitted well in said spacing unit is granted as applied for.

BOARD ORDER NO. 52-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 21st day of March, 2002.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

David Ballard, Chairman

Jerry Kennedy, Board Member

Jack King, Board Member

ATTEST:

Gary Willis, Board Member

Terri H. Perrigo, Executive Secretary

I dissent.

Denzil Young, Board Member

I abstain.

Elaine Mitchell, Board Member

