

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 TEST WELL AT AN EXCEPTION  
LOCATION IN SECTION 22, T26N-R55E,  
RICHLAND COUNTY, MONTANA.

ORDER NO. 97-2002

Docket No. 144-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Chesapeake Operating, Inc. is authorized to drill a Red River test well 330' FNL and 1800' FEL of Section 22, T26N-R55E, Richland County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should applicant successfully complete this well, payment of royalties shall be suspended and applicant must apply for permanent spacing within ninety (90) days of completion.

BOARD ORDER NO. 97-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
LYCO ENERGY CORPORATION TO DELINEATE  
ALL OF SECTION 35, T24N-R57E, RICHLAND COUNTY,  
MONTANA, AS A FIELD AND PERMANENT  
SPACING UNIT FOR PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE BAKKEN  
FORMATION AND AUTHORIZING UP TO TWO  
HORIZONTAL WELLS TO BE LOCATED ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT CLOSER  
THAN 660 FEET TO THE SPACING UNIT BOUNDARIES.

ORDER NO. 98-2002

Docket No. 145-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 98-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
LYCO ENERGY CORPORATION TO DELINEATE  
ALL OF SECTION 17, T24N-R56E, RICHLAND COUNTY,  
MONTANA, AS A FIELD AND PERMANENT SPACING  
UNIT FOR PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE BAKKEN FORMATION AND  
TO AUTHORIZE UP TO TWO HORIZONTAL WELLS  
ANYWHERE WITHIN SAID SPACING UNIT BUT  
NOT CLOSER THAN 660 FEET TO THE SPACING  
UNIT BOUNDARIES.

ORDER NO. 99-2002

Docket No. 146-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 99-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
LYCO ENERGY CORPORATION TO DESIGNATE  
LOTS 1, 2, 3, 4, S½S½ OF SECTION 4 (ALL OF SAID  
SECTION) AND ALL OF SECTION 9, T24-R55E,  
RICHLAND COUNTY, MONTANA, AS A  
TEMPORARY SPACING UNIT FOR DRILLING  
UP TO TWO HORIZONTAL WELLS IN THE  
BAKKEN FORMATION AND AUTHORIZING  
SAID HORIZONTAL WELLS TO BE LOCATED  
ANYWHERE IN SAID TEMPORARY SPACING UNIT  
BUT NOT CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 100-2002

Docket No. 147-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Lyco Energy Corporation is granted as applied for.

BOARD ORDER NO. 100-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
CONTINENTAL RESOURCES, INC. TO AMEND  
THE WEST CEDAR HILLS RED RIVER "B" UNIT  
FIELD RULES TO AUTHORIZE THE DRILLING OF  
A BOUNDARY HORIZONTAL INJECTION WELL  
AT A LOCATION SUCH THAT THE HORIZONTAL  
DISPLACEMENT IN THE WELL BORE WILL BE  
APPROXIMATELY 4500 FEET IN THE WEST CEDAR  
HILLS-RED RIVER "B" UNIT IN FALLON COUNTY,  
MONTANA, AND APPROXIMATELY 1500 FEET IN THE  
CEDAR HILLS NORTH-RED RIVER "B" UNIT IN  
BOWMAN AND SLOPE COUNTIES, NORTH DAKOTA.

ORDER NO. 101-2002

Docket No. 148-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 101-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
CONTINENTAL RESOURCES, INC. TO AMEND  
THE FIELD RULES FOR THE WEST CEDAR  
HILLS-RED RIVER "B" UNIT IN FALLON COUNTY,  
MONTANA, TO AUTHORIZE THE DRILLING OF A  
BOUNDARY HORIZONTAL INJECTION WELL AT A  
LOCATION SUCH THAT THE HORIZONTAL  
DISPLACEMENT IN THE WELL BORE WILL BE  
APPROXIMATELY 2000 FEET IN THE WEST  
CEDAR HILLS -RED RIVER "B" UNIT IN FALLON  
COUNTY, MONTANA, AND APPROXIMATELY 4500 FEET  
IN THE CEDAR HILLS NORTH-RED RIVER "B" UNIT IN  
BOWMAN AND SLOPE COUNTIES, NORTH DAKOTA.

ORDER NO. 102-2002

Docket No. 149-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 102-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
ENCANA ENERGY RESOURCES INC. TO  
ENLARGE THE BATTLE CREEK GAS FIELD  
IN BLAINE COUNTY, MONTANA, AS  
DELINEATED BY BOARD ORDERS 40-86,  
76-92, 187-2001 AND 188-2001 TO INCLUDE  
THE FOLLOWING DESCRIBED LANDS IN BLAINE  
COUNTY, MONTANA: ALL OF SECTION 36, T37N-R18E;  
ALL OF SECTIONS 29, 30, 31, 32 AND 33, T37N-R19E;  
ALL OF SECTION 5, T36N-R19E; ALL OF SECTIONS 8, 14  
AND 17, T35N-R19E; AND ALL OF SECTION 2, T35N-R20E.

ORDER NO. 103-2002

Docket No. 150-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 EnCana Energy Resources, Inc. is granted as applied for. Reference is made to Board Order 133-2000, which remains in effect.

BOARD ORDER NO. 103-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
ENCANA ENERGY RESOURCES, INC. TO DRILL  
AND PRODUCE ITS PROPOSED PCE MATTSON 1-15  
TEST WELL LOCATED APPROXIMATELY 322' FNL  
AND 1177' FEL OF SECTION 15, T34N-R6E, LIBERTY  
COUNTY, MONTANA, AS AN EXCEPTION TO  
A.R.M. 36.22.702 AND BOARD ORDER 62-93.

ORDER NO. 104-2002

Docket No. 151-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 EnCana Energy Resources, Inc. is granted.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within ninety (90) days of first production and that all payments be suspended until the field is permanently spaced.

BOARD ORDER NO. 104-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

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Gary Willis, Board Member

ATTEST:

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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  
ENCANA ENERGY RESOURCES, INC. TO DRILL  
UP TO FOUR WELLS IN SECTION 24, T37N-R18E,  
BLAINE COUNTY, MONTANA, TO TEST FOR THE  
PRESENCE OF EAGLE FORMATION NATURAL GAS  
AS EXCEPTIONS TO A.R.M. 36.22.702 AND BOARD  
ORDER 62-93.

ORDER NO. 105-2002

Docket No. 153-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 EnCana Energy Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 105-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

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Gary Willis, Board Member

ATTEST:

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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 LOTS 13, 14, 15, 16, SW<sup>1</sup>/<sub>4</sub> OF  
SECTION 1, T33N-R58E, AND THE SE<sup>1</sup>/<sub>4</sub> OF  
SECTION 2, T33N-R58E, SHERIDAN COUNTY,  
MONTANA, AS A 480-ACRE TEMPORARY  
SPACING UNIT FOR THE GUNTON FORMATION  
AND TO DRILL A HORIZONTAL TEST WELL IN  
SAID TEMPORARY SPACING UNIT WITH A  
SURFACE LOCATION 400' FSL AND 1600' FWL  
OF SAID SECTION 1 WITH A PROPOSED  
BOTTOMHOLE LOCATION 400' FSL AND  
1400' FEL OF SAID SECTION 2.  
(BRUSH LAKE FIELD)

ORDER NO. 106-2002

Docket No. 154-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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.

IT IS FURTHER ORDERED that the horizontal lateral shall at no point be located less than 330 feet from the southern boundary of the temporary spacing unit.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within ninety (90) days of completion of a successful well.

BOARD ORDER NO. 106-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
ATHENA ENERGY TO DESIGNATE THE NE¼  
AND SE¼ OF SECTION 15, T34N-R4E, LIBERTY  
COUNTY, MONTANA, AS 160 ACRE PERMANENT  
SPACING UNITS FOR PRODUCTION OF GAS  
UNDERLYING SAID LANDS AND TO REQUIRE  
660 FOOT SETBACK FROM THE EXTERIOR  
BOUNDARIES OF SAID PERMANENT SPACING  
UNITS FOR ANY WELLS DRILLED IN SAID  
SPACING UNITS. (GRANDVIEW FIELD)

ORDER NO. 107-2002

Docket No. 157-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Athena Energy is granted as applied for.

IT IS FURTHER ORDERED that, as to the SE¼ of Section 15, T34N-R4E, a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 107-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

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Gary Willis, Board Member

ATTEST:

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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  
TAB MCGINLEY TO REMOVE CERTAIN LANDS  
IN SHERIDAN COUNTY, MONTANA, FROM THE  
EAST GREEN COULEE FIELD AND TO DESIGNATE  
THE SW¼ OF SECTION 2, T33N-R55E AS A  
TEMPORARY SPACING UNIT.

ORDER NO. 108-2002

Docket No. 163-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. At the time of the hearing, applicant withdrew its request for an exception to statewide drilling and spacing rules and also its request for the designation of a temporary spacing unit.
3. 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 SW¼SW¼ of Section 2 and Lot 4 of Section 11, T33N-R55E, Sheridan County, Montana, are removed from the East Green Coulee Field.

BOARD ORDER NO. 108-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

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Gary Willis, Board Member

ATTEST:

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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  
BALLARD PETROLEUM HOLDINGS LLC TO  
DRILL A GAS TEST WELL TO TEST THOSE  
FORMATIONS FROM THE SURFACE TO THE  
BASE OF THE TELEGRAPH CREEK FORMATION  
IN A 640 ACRE TEMPORARY SPACING UNIT  
CONSISTING OF THE E½ OF SECTION 21 AND  
THE W½ OF SECTION 22, T3S-R20E, STILLWATER  
COUNTY, MONTANA, AT A LOCATION NOT LESS  
THAN 990 FEET FROM THE EXTERIOR BOUNDARIES  
OF SUCH UNIT AND TO DESIGNATE THE W½ OF  
SECTION 21, T3S-R20E AND THE E½ OF SECTION 22,  
T3S-R20E AS 320 ACRE TEMPORARY SPACING UNITS  
FOR SAID FORMATIONS AS EXCEPTIONS TO  
A.R.M. 36.22.702.

ORDER NO. 109-2002

Docket No. 180-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. Chairman David Ballard 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 Ballard Petroleum Holdings LLC is granted as applied for.

BOARD ORDER NO. 109-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Denzil Young, Vice Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

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Gary Willis, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

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 ANYWHERE  
WITHIN SECTION 12, T26N-R18E, BLAINE COUNTY,  
MONTANA, BUT NOT CLOSER THAN 660 FEET TO  
THE EXTERIOR BOUNDARIES THEREOF AS AN  
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 110-2002

Docket No. 164-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 110-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
David Ballard, Chairman

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Denzil Young, Vice Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad , Board Member

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Elaine Mitchell, Board Member

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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 SAND FORMATION  
GAS WELL ANYWHERE WITHIN SECTION 13,  
T26N-R18E, BLAINE COUNTY, MONTANA,  
BUT NOT CLOSER THAN 990 FEET TO THE  
EXTERIOR BOUNDARIES THEREOF AS AN  
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 111-2002

Docket No. 165-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 the application of Ocean Energy, Inc. is granted as applied for.

BOARD ORDER NO. 111-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 1650' FNL  
AND 1450' FWL OF SECTION 12, T27N-R18E,  
BLAINE COUNTY, MONTANA, WITH A 150 FOOT  
TOPOGRAPHIC TOLERANCE AS AN EXCEPTION  
TO BOARD ORDER 45-76 (SAWTOOTH MOUNTAIN  
FIELD).

ORDER NO. 112-2002

Docket No. 166-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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, Inc. is granted as applied for.

BOARD ORDER NO. 112-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 EAGLE-  
VIRGELLE FORMATION GAS WELL 606' FSL  
AND 2486' FEL OF SECTION 22, T27N-R15E,  
CHOUTEAU COUNTY, MONTANA, AS AN  
EXCEPTION TO BOARD ORDER 26-74  
(BULLWACKER FIELD)

ORDER NO. 113-2002

Docket No. 167-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 an Eagle -Virgelle Formation gas well 606' FSL and 2486' FEL of Section 22, T27N-R15E, Chouteau County, Montana, as an exception to Board Order 26-74.

BOARD ORDER NO. 113-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
EAGLE-VIRGELLE FORMATION GAS WELL  
301' FNL AND 1741' FWL OF SECTION 31,  
T27N-R16E, CHOUTEAU COUNTY, MONTANA,  
AS AN EXCEPTION TO THE BULLWACKER  
FIELD RULES ESTABLISHED BY BOARD  
ORDER 26-74.

ORDER NO. 114-2002

Docket No. 168-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 an Eagle-Virgelle Formation gas well 301' FNL and 1741' FWL of Section 31, T27N-R16E, Chouteau County, Montana, as an exception to Board Order 26-74.

BOARD ORDER NO. 114-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

\_\_\_\_\_  
Gary Willis, Board Member

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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 EAGLE-  
VIRGELLE FORMATION GAS WELL AT AN  
EXCEPTION LOCATION IN SECTION 27,  
T27N-R15E, CHOUTEAU COUNTY, MONTANA.  
(BULLWACKER FIELD)

ORDER NO. 115-2002

Docket No. 169-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Eagle-Virgelle Formation gas well 216' FNL and 1156' FWL of Section 27, T27N-R15E, Chouteau County, Montana, as an exception to the Board Order 26-74 (Bullwacker Field).

BOARD ORDER NO. 115-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 WELL AT  
AN EXCEPTION LOCATION IN SECTION 22,  
T32N-R17E, HILL COUNTY, MONTANA.  
(TIGER RIDGE FIELD)

ORDER NO. 116-2002

Docket No. 170-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 U.S. #22-10-32-17 well 2135' FSL and 1357' FEL of Section 22, T32N-R17E, Hill County, Montana, as an exception to Board Orders 10-70 and 46-78 (Tiger Ridge Field).

BOARD ORDER NO. 116-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 ITS U.S.  
#22-01-32-17 WELL AT AN EXCEPTION  
LOCATION IN SECTION 22, T32N-R17E,  
HILL COUNTY, MONTANA. (TIGER RIDGE  
FIELD)

ORDER NO. 117-2002

Docket No. 171-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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, to take affect only for production after the date of this Order, 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 U.S. #22-01-32-17 well 1020' FNL and 1141' FEL of Section 22, T32N-R17E, Hill County, Montana, as an exception Board Orders 10-70 and 46-78 (Tiger Ridge Field).

BOARD ORDER NO. 117-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 ITS DAVEY  
#15-13-32-17 WELL AT AN EXCEPTION IN  
SECTION 15, T32N-R17E, HILL COUNTY,  
MONTANA (TIGER RIDGE FIELD).

ORDER NO. 118-2002

Docket No. 172-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Davey #15-13-32-17 well 763' FWL and 670' FSL of Section 15, T32N-R17E, Hill County, Montana, as an exception to Board Orders 10-70 and 46-78 (Tiger Ridge Field).

BOARD ORDER NO. 118-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 ITS DAVEY  
#21-09-32-17 WELL AT AN EXCEPTION  
LOCATION IN SECTION 21, T32N-R17E,  
HILL COUNTY, MONTANA. (TIGER RIDGE  
FIELD)

ORDER NO. 119-2002

Docket No. 173-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Davey #21-09-32-17 well 802' FEL and 2457' FSL of Section 21, T32N-R17E, Hill County, Montana, as an exception to Board Order 10-70 (Tiger Ridge Field).

BOARD ORDER NO. 119-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 TIGER  
RIDGE FIELD WELL AT AN EXCEPTION  
LOCATION IN SECTION 21, T32N-R17E,  
HILL COUNTY, MONTANA.

ORDER NO. 120-2002

Docket No. 174-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Davey #21-16-32-17 well 994' FEL and 204' FSL of Section 21, T32N-R17E, Hill County, Montana, as an exception to Board Order 10-70 (Tiger Ridge Field).

BOARD ORDER NO. 120-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 ESTABLISH A  
320 ACRE TEMPORARY SPACING UNIT  
CONSISTING OF THE S½ OF SECTION 24,  
T32N-R17E, HILL AND BLAINE COUNTIES,  
MONTANA, WITH 990 FOOT SETBACKS  
FROM THE EXTERIOR BOUNDARIES  
THEREOF WITH A 150 FOOT TOPOGRAPHIC  
TOLERANCE FOR PURPOSES OF DRILLING  
AN EAGLE SAND FORMATION GAS WELL  
THEREIN AS AN EXCEPTION TO A.R.M.  
36.22.702.

ORDER NO. 121-2002

Docket No. 175-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 a 320 acre temporary spacing unit consisting of the S½ of Section 24, T32N-R17E, Hill and Blaine Counties, Montana, is established for purposes of drilling an Eagle Sand Formation gas well and applicant is authorized to drill said well at a location 990' FWL and 990' FSL of said Section 24.

BOARD ORDER NO. 121-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Board Member

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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 ESTABLISH AN  
80-ACRE TEMPORARY SPACING UNIT  
COMPRISED OF THE S½SW¼ OF SECTION 23,  
T32N-R17E, HILL COUNTY, MONTANA,  
AND AUTHORIZATION TO DRILL AN  
EAGLE SAND FORMATION GAS WELL  
THEREIN AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 122-2002

Docket No. 176-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 an 80 acre temporary spacing unit comprised of the S½SW¼ of Section 23, T32N-R17E, Hill County, Montana is authorized for Eagle Sand Formation gas and applicant is authorized to drill an Eagle Sand Formation gas well therein 1116' FSL and 1257' FWL as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 122-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
TAYLOR WELL OPERATING, INC. TO  
ENLARGE THE GRANDVIEW FIELD  
ESTABLISHED BY BOARD ORDER 49-67  
TO INCLUDE THE N½ OF SECTION 22,  
T34N-R4E, LIBERTY COUNTY, MONTANA.

ORDER NO. 123-2002

Docket No. 178-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Taylor Well Operating, Inc. is granted as applied for.

BOARD ORDER NO. 123-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
TAYLOR WELL OPERATING, INC. TO POOL  
ALL INTERESTS IN AND TO THE N½ OF  
SECTION 22, T34N-R4E, LIBERTY COUNTY,  
MONTANA, FOR DEVELOPMENT, OPERATION  
AND PRODUCTION OF BOW ISLAND  
FORMATION NATURAL GAS FROM  
APPLICANT'S 2-22 WELL LOCATED 660' FNL  
AND 1980' FEL OF SAID SECTION 22.  
(GRANDVIEW FIELD)

ORDER NO. 124-2002

Docket No. 179-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Taylor Well Operating, Inc. is granted as applied for.

BOARD ORDER NO. 124-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
WESTECH ENERGY CORPORATION TO  
DRILL AN OIL AND GAS WELL TO TEST  
THE MINNELUSA "C" FORMATION 970'  
FSL AND 600' FEL OF SECTION 29, T9S-R51E,  
POWDER RIVER COUNTY, MONTANA,  
WITH A 100 FOOT TOLERANCE FOR  
TOPOGRAPHIC REASONS AS AN EXCEPTION  
TO A.R.M. 36.22.702.

ORDER NO. 125-2002

Docket No. 181-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 applicant is authorized to drill an oil and gas well to test the Minnelusa "C" Formation at a location 971' FSL and 619' FEL of Section 29, T9S-R51E, Powder River County, Montana.

IT IS FURTHER ORDERED that, should the well be successfully completed, applicant shall apply for permanent spacing within ninety (90) days of completion and all payments from the production of said well shall be suspended until the well is permanently spaced.

BOARD ORDER NO. 125-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
WESTECH ENERGY CORPORATION TO  
DRILL AN OIL AND GAS WELL TO TEST  
THE DAKOTA FORMATION AT AN  
EXCEPTION LOCATION IN SECTION 20,  
T9S-R51E, POWDER RIVER COUNTY,  
MONTANA, AS AN EXCEPTION TO  
A.R.M. 36.22.702.

ORDER NO. 126-2002

Dockets No. 182-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 originally applied for an exception location 450' FSL and 1200' FWL of the subject section. However, at the hearing, applicant informed the Board that the location it desired was 295' FSL and 1312' FWL of Section 20, T9S-R51E, Powder River County, Montana.
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 Westech Energy Corporation is authorized to drill an oil and gas test well to test the Dakota Formation at a location 295' FSL and 1312' FWL of Section 20, T9S-R51E, Powder River County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant publish its notice of application for a permit to drill said well and, should objection be made as a result of publication of that notice, the Board will hold a hearing on that protest.

BOARD ORDER NO. 126-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
WESTECH ENERGY CORPORATION TO DRILL  
AN OIL AND GAS WELL TO TEST THE  
MINNELUSA "C" FORMATION 2530' FSL  
AND 400' FWL OF SECTION 23, T9S-R50E,  
POWDER RIVER COUNTY, MONTANA,  
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 127-2002

Docket No. 183-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Westech Energy Corporation is authorized to drill an oil and gas well to test the Minnelusa "C" Formation 2531' FSL and 406' FWL of Section 23, T9S-R50E, Powder River County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within ninety (90) days of successful completion of the well and all payments from production shall be suspended until permanent spacing has been ordered.

BOARD ORDER NO. 127-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
WESTECH ENERGY CORPORATION TO DRILL  
AN OIL AND GAS WELL TO TEST THE  
DAKOTA FORMATION AT AN EXCEPTION  
LOCATION IN SECTION 26, T9S-R50E,  
POWDER RIVER COUNTY, MONTANA.

ORDER NO. 128-2002

Docket No. 184-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 originally applied for an exception location 2550' FNL and 1970' FEL of the subject section. However, at the hearing, applicant informed the Board that the location it desired was 1864' FEL and 2545' FSL of said Section 26, T9S-R50E, Powder River County, Montana. The Board finds that the differing location is acceptable but will require appropriate notice to be given.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Westech Energy Corporation shall re-advertise the location requested in this docket and with the notice that any protestants must file a written notice with the Board that they want a hearing on this matter. If no such requests are received within ten (10) days of the publication of this notice, staff is directed to issue the appropriate permit.

BOARD ORDER NO. 128-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DRILL AND  
PRODUCE AN ADDITIONAL EAGLE SAND  
FORMATION GAS WELL 1664' FNL AND  
1000' FWL OF SECTION 30, T34N-R15E,  
HILL COUNTY, MONTANA, WITH A 75  
FOOT TOLERANCE FOR TOPOGRAPHIC  
REASONS AS AN EXCEPTION TO  
A.R.M. 36.22.702.

ORDER NO. 129-2002

Docket No. 185-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil and Gas, Inc. is granted as applied for.

BOARD ORDER NO. 129-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
THE S½ OF SECTION 18 AND THE N½ OF  
SECTION 19, T36N-R16E, HILL COUNTY,  
MONTANA, AS A TEMPORARY SPACING  
UNIT AND TO AUTHORIZE DRILLING  
AN EAGLE SAND FORMATION GAS WELL  
225' FNL AND 1400' FWL OF SAID  
SECTION 19 WITH A 100 FOOT TOLERANCE  
IN ANY DIRECTION FOR TOPOGRAPHIC  
REASONS AS AN EXCEPTION TO A.R.M.  
36.22.702.

ORDER NO. 130-2002

Docket No. 186-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 130-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
THE S½ OF SECTION 19 AND THE N½ OF  
SECTION 30, T36N-R16E, HILL COUNTY,  
MONTANA, AS A TEMPORARY SPACING  
UNIT AND TO AUTHORIZE DRILLING AN  
EAGLE SAND FORMATION GAS WELL  
110' FSL AND 1000' FWL OF SAID  
SECTION 19 WITH A 100 FOOT TOLERANCE  
IN ANY DIRECTION FOR TOPOGRAPHIC  
REASONS AS AN EXCEPTION TO A.R.M.  
36.22.702.

ORDER NO. 131-2002

Docket No. 187-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 131-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
THE S½ OF SECTION 30 AND THE N½ OF  
SECTION 31, T34N-R15E, HILL COUNTY,  
MONTANA, AS A TEMPORARY SPACING  
UNIT AND TO AUTHORIZE THE DRILLING  
OF AN EAGLE SAND FORMATION GAS WELL  
173' FNL AND 1000' FWL OF SAID SECTION 31  
WITH A 75 FOOT TOLERANCE IN ANY  
DIRECTION FOR TOPOGRAPHIC REASONS  
AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 132-2002

Docket No. 188-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. At the time of the hearing, the Board determined that the request for a spacing unit comprised of the S½ of Section 30 and the N½ of Section 31, T34N-R15E was not justified by the evidence presented.
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 SW¼ of Section 30 and the NW¼ of Section 31, T34N-R15E, Hill County, Montana, are designated as a temporary spacing unit and applicant is authorized to drill an Eagle Sand Formation gas well 173' FNL and 1000' FWL of said Section 31 with a 75 foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that, should applicant be successful in drilling its Eagle Sand Formation gas well, applicant shall apply for permanent spacing within ninety (90) days of completion and that all payments shall be suspended until permanent spacing has been completed.

BOARD ORDER NO. 132-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
SECTION 27, T36N-R15E, HILL COUNTY,  
MONTANA, AS A TEMPORARY SPACING  
UNIT AND TO AUTHORIZE DRILLING AN  
EAGLE SAND GAS WELL 349' FSL AND  
1605' FEL OF SAID SECTION 27 WITH A  
75 FOOT TOLERANCE IN ANY DIRECTION  
FOR TOPOGRAPHIC REASONS AS AN  
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 133-2002

Docket No. 189-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Section 27, T36N-R15E, Hill County, Montana, is designated as a temporary spacing unit for drilling an Eagle Sand Formation gas well 349' FSL and 1605' FEL of said Section 27 with a 75 foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that the operator in Section 34, T36N-R15E, Hill County, Montana, may offset said well by drilling a well no closer than 349' FNL of said Section 34.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 133-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DRILL AN  
ADDITIONAL EAGLE SAND FORMATION  
GAS WELL IN THE PERMANENT SPACING  
UNIT COMPRISED OF THE E½ OF SECTION 7,  
T33N-R17E, HILL COUNTY, MONTANA, AT  
A LOCATION 2320' FSL AND 1400' FEL  
WITH A 100 FOOT TOLERANCE FOR  
TOPOGRAPHIC REASONS AS AN EXCEPTION  
TO BOARD ORDERS 25-78 AND 36-79. (COAL  
COULEE FIELD)

ORDER NO. 134-2002

Docket No. 190-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 134-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
THE E½ OF SECTION 25, T34N-R17E AND  
THE W½ OF SECTION 30, T34N-R18E, BLAINE  
COUNTY, MONTANA, AS A TEMPORARY  
SPACING UNIT FOR EAGLE SAND FORMATION  
PRODUCTION AND TO AUTHORIZE DRILLING  
AN EAGLE SAND FORMATION GAS WELL  
25' FEL AND 1800' FNL OF SAID SECTION 25  
WITH A 75 FOOT TOLERANCE IN ANY  
DIRECTION FOR TOPOGRAPHIC REASONS  
AS AN EXCEPTION TO A.R.M. 36.22.702 AND  
BOARD ORDER 61-2001.

ORDER NO. 135-2002

Docket No. 191-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 135-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO DESIGNATE  
THE S½ OF SECTION 25, T35N-R19E, BLAINE  
COUNTY, MONTANA, AS A PERMANENT  
SPACING UNIT FOR PRODUCTION OF GAS  
FROM THE EAGLE SAND FORMATION.

ORDER NO. 136-2002

Docket No. 192-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 136-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. TO POOL ALL  
INTERESTS IN THE SPACING UNIT  
COMPRISED OF THE S½ OF SECTION 25,  
T35N-R19E, BLAINE COUNTY, MONTANA,  
FOR PRODUCTION OF EAGLE SAND  
FORMATION GAS AND TO IMPOSE THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A. FOR  
PURPOSES OF DRILLING THE  
PURSLEY #25-35-19 WELL.

ORDER NO. 137-2002

Docket No. 193-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 137-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
HIGHLINE EXPLORATION, INC. TO  
AUTHORIZE THE BOARD'S STAFF TO  
ISSUE DRILLING PERMITS IN LOCATIONS  
AND TO FORMATIONS AUTHORIZED BY  
THE TOLUCA GAS FIELD RULES PURSUANT  
TO BOARD ORDERS 28-83 AND 42-2002  
WITHOUT FURTHER PUBLISHED NOTICE.

ORDER NO. 138-2002

Docket No. 194-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Highline Exploration, Inc. is granted as applied for.

BOARD ORDER NO. 138-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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, L.P. FOR CERTIFICATION  
OF THE ELIGIBILITY OF CERTAIN WELLS FOR  
THE TAX INCENTIVES PROVIDED BY  
SECTION 15-36-304 (F), M.C.A.

ORDER NO. 139-2002

Docket No. 110-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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 Encore Operating, L.P. is granted as applied for, with the exception of certification of the Little Beaver 12-34H well which is not horizontally completed.

IT IS FURTHER ORDERED that staff prepare the appropriate decline rate certifications and forward same to the Department of Revenue.

BOARD ORDER NO. 139-2002

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 33, T36N-R16E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 140-2002

Docket No. 59-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in the subsequent dockets 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 140-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 33, T36N-R16E, Hill County, Montana, as established by Board Order 82-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 10, T36N-R15E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE NIOBRARA  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 141-2002

Docket No. 61-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 141-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit for the Niobrara Formation comprised of Section 10, T36N-R15E, Hill County, Montana, as established by Board Order 83-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 2, T35N-R15E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 142-2002

Docket No. 63-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 142-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 2, T35N-R15E, Hill County, Montana, as established by Board Order 84-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 26, T35N-R19E,  
BLAINE COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 143-2002

Docket No. 65-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 143-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 26, T35N-R19E, Blaine County, Montana, as established by Board Order 84-2002 are pooled on the basis of surface acreage for purposes of drilling, completing and operating the Pursley-Federal #26-35-19 well.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 26, T35N-R19E,  
BLAINE COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 144-2002

Docket No. 66-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 144-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 26, T35N-R19E, Blaine County, Montana, as established by Board Order 84-2002 are pooled on the basis of surface acreage for purposes of drilling, completing and operating the Federal #26-35-19B well.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 22, T34N-R19E,  
BLAINE COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 145-2002

Docket No. 68-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 145-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 22, T34N-R19E, Blaine County, Montana, as established by Board Order 86-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 6, T34N-R14E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE JUDITH  
RIVER FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 146-2002

Docket No. 70-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 146-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 6, T34N-R14E, Hill County, Montana, as established by Board Order 87-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 18, T34N-R18E,  
BLAINE COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 147-2002

Docket No. 72-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 76-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 147-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 18, T34N-R18E, Blaine County, Montana, as established by Board Order 88-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 23, T33N-R16E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 148-2002

Docket No. 76-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 78-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 148-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 23, T33N-R16E, Hill County, Montana, as established by Board Order 91-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF THE S½ OF SECTION 20  
AND THE N½ OF SECTION 29, T35N-R17E,  
HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 149-2002

Docket No. 78-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 80-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 149-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the S½ of Section 20 and the N½ of Section 29, T35N-R17E, Hill County, Montana, as established by Board Order 92-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF THE N½ OF SECTION 20,  
T35N-R17E, HILL COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 150-2002

Docket No. 80-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 82-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 150-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the N½ of Section 20, T35N-R17E, Hill County, Montana, as established by Board Order 93-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER POOLING ALL INTERESTS IN  
THE PERMANENT SPACING UNIT  
COMPRISED OF SECTION 15, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA, FOR  
PRODUCTION OF GAS FROM THE EAGLE  
SAND FORMATION AND IMPOSING THE  
NON-JOINDER COSTS PROVIDED BY  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 151-2002

Docket No. 82-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 83-2002 and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 151-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 15, T26N-R16E, Chouteau County, Montana, as established by Board Order 94-2002 are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-joinder costs are not allowed.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN  
ORDER IMPOSING THE NON-JOINDER  
COSTS PROVIDED BY SECTION  
82-11-202 (2), M.C.A.

ORDER NO. 152-2002

Docket No. 83-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, and 84-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 152-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

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Gary Willis, Board Member

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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  
KLABZUBA OIL & GAS, INC. FOR AN ORDER  
IMPOSING THE NON-JOINDER COSTS  
PROVIDED BY SECTION 82-11-202 (2), M.C.A.

ORDER NO. 153-2002

Docket No. 84-2002

Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of June, 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. 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. There is no dispute in this docket, or in dockets 59-2002, 61-2002, 63-2002, 65-2002, 66-2002, 68-2002, 70-2002, 72-2002, 76-2002, 78-2002, 80-2002, 82-2002, and 83-2002, as to the requested order pooling all interests in the permanent spacing units which are the subject of the applications. The only dispute is whether or not the non-joinder costs provided by Section 82-11-202 (2), M.C.A. can be imposed. Section 82-11-202 provides in part that, "If an owner of an oil and gas interest in a temporary spacing unit refuses to agree to pay the owners share of the costs of drilling and operating a well drilled within the unit and an application is filed for pooling of the interests in the well in a permanent spacing unit the Board shall upon hearing the application of pooling of the interests for the well order that the parties who agreed to share in the costs of drilling and operating the well prior to commencement of the drilling operation recover out of the refusing owners share of the costs as provided in subsections (2) (e) and (2) (b)." The statute further provides that, "An owner is presumed to have refused to pay the owners share of the costs if prior to the spud date of the well, the owner fails to pay or agree in writing to promptly pay the share of the costs after notice by the well operator."

In these cases the operator and applicant imposed other requirements on non-joinder costs penalties. This Board construes the statute as requiring only the agreement in writing to promptly pay the share of the costs. No additional conditions may be imposed. For that reason, the non-joinder costs are not allowable in this or any of the succeeding dockets.

BOARD ORDER NO. 153-2002

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that non-joinder costs are not allowed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of June, 2002.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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David Ballard, Chairman

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Denzil Young, Vice-Chairman

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Jerry Kennedy, Board Member

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Jack King, Board Member

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Allen Kolstad, Board Member

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Elaine Mitchell, Board Member

ATTEST:

\_\_\_\_\_  
Gary Willis, Board Member

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Terri H. Perrigo, Executive Secretary

