

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

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold a business meeting at 2:00 p.m., Wednesday, February 11, 2004 in the conference room at the Board's office at 2535 St. Johns Avenue in Billings, Montana. The agenda for that meeting is:

1. Call to order
2. Approval of minutes of December 3, 2004 business meeting
3. Opportunity for public comment
4. Bond Report
5. Financial Report
6. Flash Emissions – Vickie Walsh, Department of Environmental Quality
7. Default docket
8. Staff reports

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m. Thursday, February 12, 2004 in the conference room of the Billings Petroleum Club on the 22nd floor of the Sheraton Hotel in Billings, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6675 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket No. 1-2004
Continued to April 2004 prior to publication

Docket No. 2-2004 and 4-2004 FED

APPLICANT: K2 AMERICA CORP. – GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** for permission to drill a well in Section 34, T32N-R10W, Glacier County, Montana, to test for the presence of natural gas at a location approximately 1697' FNL and 669' FEL of said Section 34 as an exception to the statewide well location rules.

Docket No. 3-2004 and 5-2004 FED

APPLICANT: K2 AMERICA CORP. – GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill a well in Section 31, T32N-R10W, Glacier County, Montana, to test for the presence of natural gas at a location approximately 520' FNL and 1518' FEL of said Section 31 as an exception to the statewide well location rules.

Docket No. 4-2004

APPLICANT: BALLARD PETROLEUM HOLDINGS, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **BALLARD PETROLEUM HOLDINGS, LLC** to create a temporary spacing unit for the Charles Formation comprised of the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 2, T29N-R50E and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 3, T29N-R50E, Roosevelt County, Montana, and to drill a horizontal well therein by re-entry of the Richards # 3-1 well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3 and drilling the horizontal lateral in a northeasterly direction but no closer than 330 feet to the boundaries of the temporary spacing unit as an exception to Board Orders 18-55 and 26-76 (Northwest Poplar Field)

Docket No. 5-2004

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **ENCORE OPERATING, L.P.** to convert the Pennel 42-17B well in Section 17, T7N-R60E, in Pennel Field in Fallon County, Montana, to a Mission Canyon disposal well.

Docket No. 6-2004

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **ENCORE OPERATING, L.P.** for permission to convert its Pennel 31-17B well in Section 17, T7N-R60E, in Pennel Field in Fallon County, Montana, to a Mission Canyon disposal well.

Docket No. 7-2004

APPLICANT: ENCORE OPERATING, L.P. – FALLON COUNTY, MONTANA

Upon the application of **ENCORE OPERATING, L.P.** for permission to convert its Pennel 22-16B well in Section 16, T7N-R60E, in Pennel Field in Fallon County, Montana, to a Mission Canyon disposal well.

Docket No. 8-2004

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

Upon the application of **ENCORE OPERATING, L.P.** to designate the following wells eligible for severance tax reductions for horizontal re-entry wells.

API NUMBER	WELL NAME	COMPLETION DATE
25-109-05122-00-00	SP 23-32H	11/25/2003
25-109-21147-00-00	SP 11X-04AH	11/27/2003
25-025-21907-00-00	PNL 21-31CH	11/12/2003
25-109-05141-00-00	SP 43X-19H	11/17/2003

Docket No. 9-2004

APPLICANT: STAGHORN ENERGY, LLC – RICHLAND COUNTY, MONTANA

Upon the demand of Continental Resources, Inc. that the application of **STAGHORN ENERGY, LLC** for a permit to drill an oil and gas well 300' FNL and 2310' FEL of Section 14, T23N-R57E, Richland County, Montana, be denied.

Docket No. 10-2004

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

Upon the application of **FIDELITY EXPLORATION & PRODUCTION COMPANY** to enlarge and re-delineate the CX Field in Big Horn County, Montana. Applicant requests the following described lands be added to the CX Field and designated as permanent spacing units on the basis of regular quarter section spacing units with the operator permitted to drill up to four (4) wells per coal bed or horizon in each quarter section with no well located closer than 220 feet to the boundary of each quarter section:

Township 8S-Range 41E

Section 35: S $\frac{1}{2}$

Township 9S-R41E

- Section 1: Lots 5, 6, 7, 8, 9, 10, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ (All)
- Section 2: Lots 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)
- Section 3: Lots 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)
- Section 4: Lots 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)
- Section 5: Lots 5, 6, 7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)
- Section 6: Lots 6, 7, 8, 9, 10, 11, 12, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (All)
- Section 7: Lots 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)
- Section 8: All
- Section 11: All
- Section 12: Lots 1, 2, 3, 4, W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$ (All)
- Section 13: Lots 1, 2, 3, 4, W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$ (All)
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: All
- Section 18: Lots 5, 6, 7, 8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)
- Section 21: All
- Section 22: All
- Section 23: Lots 1, 2, 3, 4, 5, 6, N $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, Part of Resurvey Tract 37 (All)
- Section 24: Lots 1, 2, 3, 4, W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$ (All)
- Section 25: Lots 1, 2, 3, 4, 5, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, part of Resurvey Tract 38 (All)
- Section 26: Lots 1, 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$, part of Resurvey Tracts 37 and 38 (All)
- Section 27: All
- Section 28: All
- Section 29: All
- Section 32: Lots 5, 6, 7, 8, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)
- Section 33: Lots 5, 6, 7, 8, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)
- Section 34: Lots 5, 6, 7, 8, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)
- Section 35: Lots 5, 6, 7, 8, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)
- Section 36: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)

Applicant further requests the following described lands also be added to the CX Field and be designated as permanent spacing units on the basis of regular governmental section spacing units with Applicant permitted to drill up to sixteen (16) wells per coal bed or horizon in each such permanent spacing unit with no well located closer than 220 feet to the exterior boundary of each such 640-acre spacing unit.

Township 9S-Range 41E

Section 9: All
Section 10: All
Section 20: All

Docket No. 11-2004

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

Upon the application of **FIDELITY EXPLORATION & PRODUCTION COMPANY** for approval of its Coal Creek Project Plan of Development for coal bed methane exploration and development upon the following described lands in Big Horn County, Montana:

Township 9S-Range 40E

Section 23: All
Section 24: All
Section 25: N½
Section 26: N½

Township 9S-Range 41E

Section 9: S½
Section 16: All
Section 17: All
Section 18: Lots 7, 8, E½SW¼, SE¼ (S½)
Section 19: Lots 5, 6, 7, 8, E½W½, E½ (All)
Section 20: All
Section 21: All
Section 22: SW¼
Section 27: W½
Section 28: All
Section 29: All
Section 30: Lots 5, 6, 7, 8, E½W½, E½, (All)
Section 31: Lots 8, 9, 10, 11, 12, 13, 14, E½NW¼,
NE¼SW¼, NE¼, N ½ SE¼ (All)
Section 32: N½
Section 33: N½
Section 34: NW¼

Applicant proposes to drill and develop said lands with coal bed methane well densities greater than one well per 640 acres.

Docket No. 12-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to amend the Bullwacker Field rules to permit an additional Eagle-Virgelle Formation gas well anywhere within the N½ of Section 35, T27N-R16E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries thereof as an exception to Board Order 26-74.

Docket No. 13-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to amend the Bullwacker Field rules to permit the drilling of an additional Eagle-Virgelle Formation gas well anywhere within the E½ of Section 24, T27N-R16E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries thereof as an exception to Board Order 26-74.

Docket No. 14-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to amend the Bullwacker Field rules to drill an additional Eagle-Virgelle Formation gas well anywhere within the E½ of Section 19, T27N-R17E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries as an exception to Board Order 26-74.

Docket No. 15-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** for an amendment to the Bullwacker Field rules to permit the drilling of an additional Eagle-Virgelle gas well anywhere within the W½ of Section 19, T27N-R17E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries as an exception to Board Order 26-74.

Docket No. 16-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to amend the Bullwacker Field rules to permit the drilling of an additional Eagle-Virgelle Formation gas well anywhere within the W½ of Section 21, T27N-R17E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries as an exception to Board Order 26-74.

Docket No. 17-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** for permission to drill two additional Eagle Sand Formation gas wells anywhere within Section 29, T32N-R16E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic reasons as an exception to Board Order 10-70. (Tiger Ridge Field)

Docket No. 18-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 36, T32N-R16E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic reasons as an exception to Board Order 10-70. (Tiger Ridge Field)

Docket No 19-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 30, T32N-R17E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic reasons as an exception to Board Order 10-70. (Tiger Ridge Field)

Docket No. 20-2004

APPLICANT: DEVON LOUISIANA CORPORATION – BLAINE COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well anywhere within Section 15, T25N-R18E, Blaine County, Montana, but not closer than 990 feet to the spacing unit boundaries as an exception to A.R.M. 36.22.702.

Docket No. 21-2004

APPLICANT: DEVON LOUISIANA CORPORATION – CHOUTEAU COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well anywhere in Section 16, T27N-R17E, Chouteau County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 100-foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 22-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well anywhere within the NW¼ of Section 26, T30N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic reasons as an exception to Board Orders 10-70 and 53-91. (Tiger Ridge Field)

Docket No. 23-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well anywhere within the SW¼ of Section 26, T30N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic reasons as an exception to Board Orders 10-70 and 53-91. (Tiger Ridge Field)

Docket No. 24-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well in the NE¼ of Section 19, T30N-R16E, Hill County, Montana, but not closer than 990 feet to the spacing unit boundaries as an exception to Board Orders 10-70 and 66-91. (Tiger Ridge Field)

Docket No. 25-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well in the NW¼ of Section 19, T30N-R16E, Hill County, Montana, at a location 2247' FNL and 1761' FWL of said Section 19 with a 100-foot tolerance in any direction for topographic reasons as an exception to Board Orders 10-70 and 66-91. (Tiger Ridge Field)

Docket No. 26-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** for an order creating temporary spacing units comprised of regular governmental quarter sections in Section 17, T30N-R16E, Hill County, Montana, and authorizing the drilling of an Eagle Sand Formation gas well in each such temporary spacing unit but not closer than 660 feet to the boundaries thereof, with a 150-foot tolerance for topographic reasons.

Docket No. 27-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** for an order creating temporary spacing units comprised of regular governmental quarter sections in Section 18, T30N-R16E, Hill County, Montana, and authorizing the drilling of an Eagle Sand Formation gas well in each such temporary spacing unit at any location not closer than 660 feet to the boundaries thereof, with a 150-foot tolerance for topographic reasons.

Docket No. 28-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** for an order creating temporary spacing units comprised of regular governmental quarter sections in Section 20, T30N-R16E, Hill County, Montana, and authorizing the drilling of an Eagle Sand Formation gas well in each such temporary spacing unit at any location not closer than 660 feet to the boundaries thereof, with a 150-foot tolerance for topographic reasons.

Docket No. 29-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to create temporary spacing units comprised of regular governmental quarter sections in Section 29, T30N-R16E, Hill County, Montana, and authorizing the drilling of an Eagle Sand Formation gas well in each such temporary spacing unit at a location not closer than 660 feet to the boundaries thereof, with a 150-foot tolerance for topographic reasons.

Docket No. 30-2004

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to create temporary spacing units comprised of regular governmental quarter sections in Section 30, T30N-R16E, Hill County, Montana, and authorizing the drilling of an Eagle Sand Formation gas well in each such temporary spacing unit at a location not closer than 660 feet to the boundaries thereof, with a 150-foot tolerance for topographic reasons.

Docket No. 31-2004 and 6-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 9, T29N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to A.R.M. 36.22.702.

Docket No. 32-2004 and 7-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 10, T29N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries thereof, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to A.R.M. 36.22.702.

Docket No. 33-2004 and 8-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 15, T29N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries thereof, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to A.R.M. 36.22.702.

Docket No. 34-2004 and 9-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill two additional Eagle Sand Formation gas wells anywhere within Section 16, T29N-R15E, Hill County, Montana, but not closer than 660 feet to the spacing unit boundaries thereof, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to A.R.M. 36.22.702.

Docket No. 35-2004 and 10-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well in Section 30, T30N-R15E, Hill County, Montana, at a location 750' FSL and 300' FWL of said Section 30, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to Board Order 10-70. (Tiger Ridge Field)

Docket No. 36-2004 and 11-2004 FED

APPLICANT: DEVON LOUISIANA CORPORATION – HILL COUNTY, MONTANA

Upon the application of **DEVON LOUISIANA CORPORATION** to drill an additional Eagle Sand Formation gas well in Section 31, T30N-R15E, Hill County, Montana, at a location 750' FNL and 2650' FWL of said Section 31, with a 150-foot tolerance in any direction for topographic and/or archeological reasons as an exception to Board Order 10-70. (Tiger Ridge Field)

Docket No. 37-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill an additional Eagle gas well in the W½ of Section 32, T34N-R14E, Hill County, Montana, at a location 500' FNL and 1980' FWL of said Section 32, with a 100-foot tolerance in any direction except north or east for topographic reasons as an exception to Board Order 344-2003.

Docket No. 38-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – BLAINE COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill an additional Eagle Formation gas test well in Section 33, T34N-R18E, Blaine County, Montana, at a location not less than 660' FNL and 990 feet from the remaining section lines of said Section 33, with a 75-foot tolerance in any direction except north for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 39-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – BLAINE COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill an Eagle Formation gas well in a 640-acre temporary spacing unit consisting of the S½ of Section 10 and the N½ of Section 15, T35N-R18E, Blaine County, Montana, at a location 50' FNL and 1700' FEL of said Section 15, with a 100-foot tolerance for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 40-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill three Eagle Formation gas test wells in Section 13, T34N-R14E, Hill County, Montana, at locations not less than 990 feet from the exterior boundaries of said Section 13, as an exception to A.R.M. 36.22.702.

Docket No. 41-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – BLAINE COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill an additional Eagle Formation gas test well in Section 19, T35N-R18E, Blaine County, Montana, at a location not less than 990 feet from the exterior boundaries of said Section 19, as an exception to A.R.M. 36.22.702.

Docket No. 42-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to vacate Board Order 166-2003 and to designate the SW¼ of Section 19, T33N-R17E, Hill County, Montana, as a temporary spacing unit and authorizing the drilling of an Eagle Formation gas test well not less than 990 feet from the exterior boundaries of said temporary spacing unit as an exception to A.R.M. 36.22.702.

Docket No. 43-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – BLAINE COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to designate the SW¼ of Section 34, T33N-R18E, Blaine County, Montana, as a temporary spacing unit and to authorize the drilling of an Eagle Formation gas test well not less than 660 feet from the exterior boundaries of said temporary spacing unit as an exception to A.R.M. 36.22.702.

Docket No. 44-2004

APPLICANT: J. BURNS BROWN OPERATING COMPANY – HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY** to drill an Eagle Formation gas well in a 640-acre temporary spacing unit consisting of the W½ of Section 16 and the E½ of Section 17, T34N-R17E, Hill County, Montana, at a location 1200' FSL and 300' FEL of said Section 17, with a 100-foot tolerance for topographic reasons, as an exception to A.R.M. 36.22.702.

Docket No. 45-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to create a permanent spacing unit comprised of the NW¼NE¼ of Section 22 and the W½SE¼, NE¼SW¼ and SE¼NW¼ of Section 15, T14N-R55E, Dawson County, Montana, for the production of oil and associated natural gas from the Red River Formation and designating applicant's Cortez # 31X-22 well as the only authorized well for said spacing unit.

Docket No. 46-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to amend the Glendive Field rules by designating the SE¼ of Section 26, T15N-R54E, Dawson County, Montana, as a permanent spacing unit for production of oil and associated natural gas from the Red River Formation.

Docket No. 47-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to authorize the NPG/NCT #9-3 well to produce oil and gas from the Red River Formation underlying the permanent spacing unit comprised of the E½NE¼ of Section 17, T14N-R55E, Dawson County, Montana, as an exception to Board order 27-55 and vacating the temporary spacing unit established by the Board pursuant to Board Order 141-2003. (Glendive Field)

Docket No. 48-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to create a temporary spacing unit comprised of the E½ of Section 8, T14N-R55E, Dawson County, Montana, for the drilling of a horizontal well in the Red River Formation and authorizing said proposed horizontal well to be located anywhere within such temporary spacing unit but not closer than 330 feet to the boundaries thereof.

Docket No. 49-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to re-enter its State D2 well in Section 36, T15N-R54E, Dawson County, Montana, and drill horizontally in the Red River Formation at any location not closer than 330 feet to the governmental boundaries of said Section 36, as an exception to Board Order 27-55. (Glendive Field)

Docket No. 50-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to designate a temporary spacing unit comprised of the SW¼ of Section 26, T15N-R54E, Dawson County, Montana, to drill and produce applicant's proposed horizontal well, and authorizing applicant to re-enter its J.W. Reynolds well for purposes of drilling a horizontal Red River Formation lateral to be located not closer than 330 feet to the boundaries of said temporary spacing unit, as an exception to Board Order 27-55. (Glendive Field)

Docket No. 51-2004

APPLICANT: CORTEZ OPERATING COMPANY – DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to re-enter its Lloyd #34-26 well for purposes of drilling a horizontal Red River Formation lateral to be located not closer than 330 feet to the boundaries of the SE¼ of Section 26, T15N-R54E, Dawson County, Montana, as an exception to any applicable previous orders of this Board.

Docket No. 52-2004

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

Upon the application of **CONTINENTAL RESOURCES, INC.** for an order to create a temporary spacing unit comprised of all of Sections 8 and 17, T23N-R56E, Richland County, Montana, for the drilling of up to two multilateral horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed temporary spacing unit boundary.

Docket No. 53-2004

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a permanent spacing unit comprised of all of Section 5, T23N-R56E and all of Section 32, T24N-R56E, Richland County, Montana, for the drilling of up to two multilateral horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed permanent spacing unit boundary.

Docket No. 54-2004

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

Upon the application of **CONTINENTAL RESOURCES, INC.** for an order pooling all interests in the permanent spacing unit comprised of all of Section 5, T23N-R56E and all of Section 32, T24N-R56E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and authorizing the recovery of a risk penalty as provided by M.C.A. 82-11-202.

Docket No. 55-2004

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an additional Judith River Formation well in the permanent spacing unit comprised of the S½ of Section 18 and the N½ of Section 19, T36N-R16E, Hill County, Montana, at a location 535' FSL and 2435' FEL of said Section 18 with a 25-foot tolerance in any direction for topographic reasons as an exception to Board Orders 9-2003 and 329-2003.

Docket No. 56-2004

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an additional Eagle Sand Formation gas well (the Warburton #34-7-33-20B well) at a location 1740' FNL and 1765' FEL of Section 34, T33N-R20E, Blaine County, Montana, with a 300-foot tolerance in any direction for topographic reasons, as an exception to A.R.M. 36.22.702.

Docket No. 57-2004

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill an Eagle Sand Formation gas well 1650' FSL and 2610' FWL of Section 7, T25N-R19E, Blaine County, Montana, with a 300-foot tolerance in any direction for topographic reasons as an exception to Board Order 229-2003.

Docket No. 58-2004

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

Upon the application of **KLABZUBA OIL & GAS, INC.** to drill a Niobrara Formation gas well (the Signal Butte-Federal #20-10-37-15B well) at a proposed location 1335' FSL and 2160' FEL of Section 20, T37N-R15E, Hill County, Montana, with a 300-foot tolerance in any direction for topographic reasons as an exception to any applicable Board orders and A.R.M. 36.22.702.

Docket No. 59-2004

APPLICANT: NANCE PETROLEUM CORPORATION – SHERIDAN COUNTY, MONTANA

Upon the application of **NANCE PETROLEUM CORPORATION** to delineate the W½ of Section 13 and the E½ of Section 14, T33N-R58E, Sheridan County, Montana, as a 640-acre permanent spacing unit for the Gunton Formation and designating applicant's Dahl 1-14H well as the only authorized well for said spacing unit. (Brush Lake Field)

Docket No. 60-2004

APPLICANT: NANCE PETROLEUM CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **NANCE PETROLEUM CORPORATION** to delineate all of Section 6, T24N-R55E and all of Section 35, T25N-R54E, Richland County, Montana, as a permanent spacing unit for the Bakken Formation and designating the applicant's Vaira 2-35H well as the only authorized well for said spacing unit.

Docket No. 61-2004

APPLICANT: NANCE PETROLEUM CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **NANCE PETROLEUM CORPORATION** for an order pooling all interests in all of Section 6, T24N-R55E and all of Section 35, T25N-R54E, Richland County, Montana, on the basis of surface acres for production from the Bakken Formation.

Docket No. 62-2004

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to create a temporary spacing unit comprised of all of Sections 22 and 27, T26N-R51E, Richland County, Montana, to drill an extended-lateral horizontal well in the Bakken Formation, and authorizing said well to be located anywhere within such temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 63-2004

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate all of Section 16, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation, and designating applicant's Redwater State #24X-16 well as the only authorized well for said spacing unit.

Docket No. 64-2004

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate Lots 1, 2, 3, 4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All) of Section 5 and all of Section 8, T24N-R56E, Richland County, Montana, as a field and permanent spacing unit for the production of oil and associated natural gas from the Bakken Formation, and designating applicant's BR #33X-5 well as the only authorized well for said spacing unit.

Docket No. 65-2004

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate the W $\frac{1}{2}$ of Section 17 and the E $\frac{1}{2}$ of Section 18, T23N-R58E, Richland County, Montana, as a field and permanent spacing unit for the production of oil and associated natural gas from the Bakken Formation, to designate applicant's Larson #44X-18 well as the only authorized well for said spacing unit, and to pool all interests in said permanent spacing unit authorizing recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A.

Docket No. 66-2004

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate the W $\frac{1}{2}$ and SE $\frac{1}{4}$ of Section 20, together with all of Section 29, T23N-R57E, Richland County, Montana, as a field and permanent spacing unit for the production of oil and associated natural gas from the Bakken Formation and designating applicant's Putnam #24X-20 well as the only authorized well for said spacing unit.

Docket No. 327-2003
Continued from October 2003

APPLICANT: SOMONT OIL CO., INC. – TOOLE COUNTY, MONTANA

Upon the application of **SOMONT OIL CO., INC.** for an order placing the E½ of Section 7, T36N-R4W, Toole County, Montana, into the modified Cut Bank Field for the production of gas from the surface of the earth to and through the base of the Madison Limestone Formation.

Docket No. 375-2004
Continued from October 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a temporary spacing unit comprised of all of Sections 17 and 20, T24N-R54E, Richland County, Montana, or in the alternative a temporary spacing unit comprised of all of the above-described lands except the SE¼ of said Section 20, for drilling up to two multi-lateral horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not less than 660 feet to the boundaries thereof.

Docket No. 387-2003
Continued from December 2003

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY – RICHLAND COUNTY, MONTANA

Upon the protest of **CONTINENTAL RESOURCES, INC.** to the application of Burlington Resources Oil & Gas Company for a permit to drill an oil and gas well in the SE¼SW¼ of Section 17, T23N-R56E, Richland County, Montana.

Docket No. 392-2003
Continued from December 2003

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate all of Sections 20 and 29, 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 authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet from the spacing unit boundaries.

Docket No. 393-2003
Continued from December 2003

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate all of Sections 14 and 23, T24N-R54E, 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 from the spacing unit boundaries.

Docket No. 394-2003
Continued from December 2003

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

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to pool all interests in the spacing unit comprised of all of Sections 14 and 23, T24N-R54E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation.

Docket No. 405-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to establish a temporary spacing unit comprised of all of Sections 23 and 26, T24N-R57E, Richland County, Montana, to drill up to two horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not closer than 660 feet from the boundaries thereof.

Docket No. 406-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to establish a temporary spacing unit comprised of all of Sections 24 and 25, T24N-R57E, Richland County, Montana, to drill up to two horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not closer than 660 feet from the boundaries thereof.

Docket No. 407-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 21, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for the 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 from the boundaries thereof.

Docket No. 408-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate Lots 1, 2, 3, 4, S½S½ (all) of Section 3 and all of Section 10, T24N-R55E, 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 from the boundaries thereof.

Docket No. 409-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Sections 19 and 30, T25N-R54E, 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 from the boundaries thereof.

Docket No. 410-2003
Continued from December 2003

APPLICANT: LYCO ENERGY CORPORATION – RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Sections 19 and 30, 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 authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet from the boundaries thereof.

Docket No. 446-2003
Continued from December 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a temporary spacing unit comprised of all of Sections 17 and 20, T25N-R55E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation, said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed spacing unit boundary.

Docket No. 447-2003
Continued from December 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to amend any previous orders of the Board and to create a temporary spacing unit comprised of all of Sections 4 and 9, T23N-R54E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation, said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed spacing unit boundary.

Docket No. 449-2003
Continued from December 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a temporary spacing unit comprised of all of Section 1, T23N-R55E and all of Section 36, T24N-R55E, Richland County, Montana, for drilling up to two multilateral horizontal wells in the Bakken Formation, said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed spacing unit boundary.

Docket No. 451-2003
Continued from December 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a temporary spacing unit comprised of all of Sections 27 and 34, T25N-R55E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation, said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed spacing unit boundary.

Docket No. 452-2003
Continued from December 2003

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

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a temporary spacing unit comprised of all of Sections 15 and 22, T25N-R55E, Richland County, Montana, for drilling up to two multilateral horizontal wells in the Bakken Formation, said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed spacing unit boundary.

Docket No. 386-2004
ORDER TO SHOW CAUSE
Continued from October 2003

RESPONDENT: TOI OPERATING – FALLON, RICHLAND AND WIBAUX COUNTIES, MONTANA

Upon the Board's own motion requiring **TOI OPERATING** to appear and show cause, if any it has, why its bond should not be forfeited and why it should not be penalized for failure to plug and restore wells.

Docket No. 67-2004
ORDER TO SHOW CAUSE

RESPONDENT: MIOCENE OIL COMPANY – DANIELS COUNTY, MONTANA

Upon the Board's own motion requiring **MIOCENE OIL COMPANY** to appear and provide the Board with a full report of its clean-up operations of the saltwater discharge from the Summer Night No 21-1 drilling pit in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, T33N-R48E, Daniels County, Montana; and to recommend to the Board a reasonable fine for its violations of Board rules in operating leases in Daniels County, Montana.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary