

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

UPON THE APPLICATION OF  
EOG RESOURCES, INC. TO DRILL AN ADDITIONAL  
HORIZONTAL BAKKEN FORMATION WELL FOR  
PRODUCTION OF OIL AND ASSOCIATED NATURAL  
GAS IN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 6 AND 7,  
T25N-R53E, RICHLAND COUNTY, MONTANA, SAID  
WELL TO BE LOCATED ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT CLOSER THAN 660 FEET  
TO THE BOUNDARIES THEREOF.

ORDER 28-2009

Docket No. 23-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 28-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
EOG RESOURCES, INC. TO DRILL AN ADDITIONAL  
HORIZONTAL BAKKEN FORMATION WELL FOR  
PRODUCTION OF OIL AND ASSOCIATED NATURAL  
GAS IN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 17 AND 20,  
T25N-R53E, RICHLAND COUNTY, MONTANA,  
SAID WELL TO BE LOCATED ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT CLOSER THAN 660  
FEET TO THE BOUNDARIES THEREOF.

ORDER 29-2009

Docket No. 24-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 29-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
EOG RESOURCES, INC. TO DRILL AN ADDITIONAL  
HORIZONTAL BAKKEN FORMATION WELL FOR  
PRODUCTION OF OIL AND ASSOCIATED NATURAL  
GAS IN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 30 AND 31,  
T26N-R53E, RICHLAND COUNTY, MONTANA, SAID  
WELL TO BE LOCATED ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT CLOSER THAN 660 FEET  
TO THE BOUNDARIES THEREOF.

ORDER 30-2009

Docket No. 25-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 EOG Resources, Inc. is granted as applied for.

BOARD ORDER NO. 30-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
XTO ENERGY INC. TO POOL ALL INTERESTS  
IN THE SPACING UNIT COMPRISED OF LOTS  
1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 2 AND  
ALL OF SECTION 11, T25N-R53E, RICHLAND  
COUNTY, MONTANA, FOR PRODUCTION OF  
OIL AND ASSOCIATED NATURAL GAS FROM  
THE BAKKEN FORMATION FROM THE  
CHILDERS # 24X-11 WELL. APPLICANT IS  
NOT SEEKING IMPOSITION OF RISK  
PENALTIES.

ORDER 31-2009

Docket No. 28-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 XTO Energy Inc. is granted as applied for.

BOARD ORDER NO. 31-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
ENERPLUS RESOURCES (USA) CORPORATION  
TO POOL ALL INTERESTS IN THE SPACING  
UNIT COMPRISED OF ALL OF SECTIONS 6  
AND 7, T24N-R57E, RICHLAND COUNTY,  
MONTANA, FOR PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE  
BAKKEN FORMATION FROM THE  
BRUTUS-BECKY # 6-3 WELL. APPLICANT  
IS NOT SEEKING IMPOSITION OF RISK  
PENALTIES.

ORDER 32-2009

Docket No. 29-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 32-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
OMIMEX CANADA, LTD. TO CREATE A PERMANENT  
SPACING UNIT COMPRISED OF THE NE¼ OF  
SECTION 33, T35N-R21E, BLAINE COUNTY,  
MONTANA, FOR PRODUCTION OF EAGLE  
FORMATION NATURAL GAS FROM THE SE BATTLE  
1-33-35-21 WELL LOCATED 337' FNL AND 1255' FEL  
OF SAID SECTION 33, AS AN EXCEPTION TO  
A.R.M. 36.22.702.

ORDER 33-2009

Docket No. 30-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Board member Jack King recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The correct location of the SE Battle 1-33-35-21 well is 354' FNL and 1236' FEL of Section 33, T35N-R21E, Blaine County, Montana. The location was moved due to topographic obstructions as authorized in Board Order 275-2004.
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 NE¼ of Section 33, T35N-R21E, Blaine County, Montana is designated a permanent spacing unit for production of Eagle Formation natural gas from the SE Battle 1-33-35-21 well located 354' FNL and 1236' FEL of said Section 33, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 33-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
ZENERGY, INC. TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 14 AND 23, T27N-R59E,  
ROOSEVELT COUNTY, MONTANA, TO  
DRILL A HORIZONTAL BAKKEN  
FORMATION WELL ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT CLOSER  
THAN 660 FEET TO THE BOUNDARIES  
THEREOF.

ORDER 34-2009

Docket No. 37-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 Zenergy, Inc. is granted as applied for.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

BOARD ORDER NO. 34-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A  
TEMPORARY SPACING UNIT COMPRISED  
OF THE W½ OF SECTION 4 AND THE E½  
OF SECTION 5, T34N-R16E, HILL COUNTY,  
MONTANA, TO DRILL A GAS WELL (THE  
PATTISON # 5-9-34-16B) TO TEST  
PROSPECTIVE ZONES AND FORMATIONS  
FROM THE SURFACE DOWN TO THE BASE  
OF THE SECOND WHITE SPECKS  
FORMATION WITHIN SAID TRACT AT A  
PROPOSED LOCATION 1995' FSL AND  
582' FEL OF SAID SECTION 5, AS AN  
EXCEPTION TO A.R.M. 36.22.702 AND  
BOARD ORDER 143-2008.

ORDER 35-2009

Docket No. 39-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.
2. A protest letter was received from Encore Operating, LP (Encore) requesting more time to study and discuss the wells with applicant and to secure new legal counsel as the same attorney (John Lee) represented both the applicant and the protestant.
3. Attorney John Lee recused himself and said he did not represent either party in this matter.
4. NFR Bear Paw Basin LLC (NFR) was prepared to represent itself in the proceedings after attorney John Lee recused himself.
5. Clyde Peterson, the Board's attorney, recommended the application be continued because the Montana State Bar frowns upon corporations representing themselves in administrative matters.
6. The Board voted 4-3 to continue the hearing on a roll call vote with members King, Smith and Smelser voting nay.
7. Later in the day, attorney Don Lee said he was representing NFR and would like the Board to consider re-opening the hearing on this application.

BOARD ORDER NO. 35-2009

8. A motion was made to re-open the hearing. It passed unanimously.

9. Although the application requested that all formations from the surface to the base of the Second White Specks Formation be included in the temporary spacing unit, only data for the Eagle Formation was provided.

10. 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 W½ of Section 4 and the E½ of Section 5, T34N-R16E, Hill County, Montana, is designated a temporary spacing unit to drill the Pattison # 5-9-34-16B gas well to test prospective zones and formations from the surface down to and through the Eagle Formation within said tract at a proposed location 1995' FSL and 582' FEL of said Section 5, as an exception to A.R.M. 36.22.702 and Board Order 143-2008.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF THE S½ OF SECTION  
14 AND THE N½ OF SECTION 23, T36N-R14E, HILL  
COUNTY, MONTANA, TO DRILL A GAS WELL (THE  
VERPLOEGEN-FEDERAL # 23-3-36-14) TO TEST  
PROSPECTIVE ZONES AND FORMATIONS FROM THE  
SURFACE DOWN TO THE BASE OF THE SECOND WHITE  
SPECKS FORMATION WITHIN SAID TRACT AT A  
PROPOSED LOCATION 365' FNL AND 1775' FWL OF  
SAID SECTION 23, WITH A 200-FOOT TOPOGRAPHIC  
TOLERANCE, AS AN EXCEPTION TO A.R.M. 36.22.702  
AND ANY APPLICABLE BOARD ORDERS.

ORDER 36-2009

Docket No. 40-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 NFR Bear Paw Basin, LLC is granted as applied for.

IT IS FURTHER ORDERED applicant shall apply for permanent spacing within 90 days of successful well completion.

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. 36-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF THE S½ OF SECTION 6  
AND THE N½ OF SECTION 7, T35N-R16E, HILL COUNTY,  
MONTANA, TO DRILL A GAS WELL (THE SHRAUGER-  
STATE # 6-15-35-16) TO TEST PROSPECTIVE ZONES AND  
FORMATIONS FROM THE SURFACE DOWN TO THE BASE  
OF THE SECOND WHITE SPECKS FORMATION WITHIN  
SAID TRACT AT A PROPOSED LOCATION 307' FSL AND  
2277' FEL OF SAID SECTION 6, WITH A 50-FOOT  
TOPOGRAPHIC TOLERANCE, AS AN EXCEPTION TO  
A.R.M. 36.22.702 AND ANY APPLICABLE BOARD ORDERS.

ORDER 37-2009

Docket No. 41-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 NFR Bear Paw Basin, LLC is granted as applied for.

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

BOARD ORDER NO. 37-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF THE N½ OF SECTION 14,  
T36N-R15E, HILL COUNTY, MONTANA, TO DRILL AN  
EAGLE FORMATION GAS WELL (THE DUSEK  
# 14-1-36-15D) WITHIN SAID TRACT AT A PROPOSED  
LOCATION 471' FNL AND 495' FEL AS AN EXCEPTION  
TO BOARD ORDERS 116-2003 AND 423-2006.

ORDER 38-2009

Docket No. 42-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 N½ of Section 14, T36N-R15E, Hill County, Montana, is designated a temporary spacing unit to drill an Eagle Formation gas well (the Dusek #14-1-36-15D) at a proposed location 471' FNL and 495' FEL as an exception to Board Orders 116-2003 and 423-2006.

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

BOARD ORDER NO. 38-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF THE S½ OF SECTION 21  
AND THE N½ OF SECTION 28, T35N-R16E, HILL COUNTY,  
MONTANA, TO DRILL A GAS WELL (THE BESSETTE #  
21-14-35-16) TO TEST PROSPECTIVE ZONES AND  
FORMATIONS FROM THE SURFACE DOWN TO THE  
BASE OF THE SECOND WHITE SPECKS FORMATION  
WITHIN SAID TRACT AT A PROPOSED LOCATION  
540' FSL AND 2000' FWL OF SAID SECTION 21, WITH A  
100-FOOT TOPOGRAPHIC TOLERANCE, AS AN  
EXCEPTION TO A.R.M. 36.22.702 AND ANY APPLICABLE  
BOARD ORDERS.

ORDER 39-2009

Docket No. 43-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.
2. Although the application requested that all formations from the surface to the base of the Second White Specks Formation be included in the temporary spacing unit, only data for the Eagle Formation was provided.
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 S½ of Section 21 and the N½ of Section 28, T35N-R16E, Hill County, Montana, is designated a temporary spacing unit to drill the Bessette #21-14-35-16 gas well to test prospective zones and formations from the surface down to and through the Eagle Formation within said tract at a proposed location 540' FSL and 2000' FWL of said Section 21, with a 100-foot topographic tolerance, as an exception to A.R.M. 36.22.702 and any applicable Board Orders.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

BOARD ORDER NO. 39-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A TEMPORARY  
SPACING UNIT COMPRISED OF THE SE¼ OF SECTION 5  
AND THE NE¼ OF SECTION 8, T34N-R16E, HILL COUNTY,  
MONTANA, TO DRILL A GAS WELL (THE PATTISON  
# 8-2-34-16B) TO TEST PROSPECTIVE ZONES AND  
FORMATIONS FROM THE SURFACE DOWN TO THE  
BASE OF THE SECOND WHITE SPECKS FORMATION  
WITHIN SAID TRACT AT A PROPOSED LOCATION  
301' FNL AND 1719' FEL OF SAID SECTION 8, AS AN  
EXCEPTION TO A.R.M. 36.22.702 AND BOARD  
ORDER 41-1998.

ORDER 40-2009

Docket No. 44-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.
2. A protest letter was received from Encore Operating, LP (Encore) requesting more time to study and discuss the wells with applicant and to secure new legal counsel as the same attorney (John Lee) represented both the applicant and the protestant.
3. Attorney John Lee recused himself and said he did not represent either party in this matter.
4. NFR Bear Paw Basin LLC (NFR) was prepared to represent itself in the proceedings after attorney John Lee recused himself.
5. Clyde Peterson, the Board's attorney, recommended the application be continued because the Montana State Bar frowns upon corporations representing themselves in administrative matters.
6. The Board voted 4-3 to continue the hearing on a roll call vote with members King, Smith and Smelser voting nay.
7. Later in the day, attorney Don Lee said he was representing NFR and would like the Board to consider re-opening the hearing on this application.
8. A motion was made to re-open the hearing. It passed unanimously.

BOARD ORDER NO. 40-2009

9. Although the application requested that all formations from the surface to the base of the Second White Specks Formation be included in the temporary spacing unit, only data for the Eagle Formation was provided.

10. 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 SE¼ of Section 5 and the NE¼ of Section 8, T34N-R16E, Hill County, Montana, is designated a temporary spacing unit to drill the Pattison #8-2-34-16B gas well to test prospective zones and formations from the surface down to and through the Eagle Formation within said tract at a proposed location 301' FNL and 1719' FEL of said Section 8, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that Board Order 41-1998 is hereby vacated.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO CREATE A PERMANENT  
SPACING UNIT COMPRISED OF THE E½ OF SECTION 19  
AND THE W½ OF SECTION 20, T37N-R15E, HILL COUNTY,  
MONTANA, FOR PRODUCTION OF EAGLE FORMATION  
GAS PRODUCED THROUGH THE WELLBORE OF THE  
FEDERAL-SIGNAL BUTTE # 19-37-15 WELL, AND TO  
AUTHORIZE SUCH GAS TO BE COMMINGLED WITH  
NIOBRARA FORMATION GAS IN THE WELLBORE OF  
THE FEDERAL-SIGNAL BUTTE # 19-37-15 WELL.

ORDER 41-2009

Docket No. 45-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 E½ of Section 19 and the W½ of Section 20, T37N-R15E, Hill County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas produced through the wellbore of the Federal-Signal Butte #19-37-15 well.

IT IS FURTHER ORDERED that applicant is authorized to commingle the produced Eagle Formation gas with Niobrara Formation gas in the wellbore of the Federal-Signal Butte #19-37-15 well.

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. 41-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO DRILL AN ADDITIONAL  
EAGLE FORMATION GAS WELL (THE WILLOW  
CREEK # 2-6-35-15B) AT A LOCATION 2417' FNL AND  
2441' FWL OF SECTION 2, T35N-R15E, HILL COUNTY,  
MONTANA, WITH A 50-FOOT TOPOGRAPHIC  
TOLERANCE, AS AN EXCEPTION TO BOARD  
ORDER 84-2002.

ORDER 42-2009

Docket No. 47-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 NFR Bear Paw Basin LLC is granted as applied for.

BOARD ORDER NO. 42-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO AUTHORIZE THE  
COMMINGLING OF EAGLE AND JUDITH RIVER  
FORMATION GAS IN THE WELLBORE OF THE  
FEDERAL A # 28-23-19N WELL LOCATED IN THE  
E½ OF SECTION 28, T23N-R19E, FERGUS COUNTY,  
MONTANA, AS AN EXCEPTION TO BOARD  
ORDER 19-1975.

ORDER 43-2009

Docket No. 48-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 NFR Bear Paw Basin LLC 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. 43-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
NFR BEAR PAW BASIN LLC TO AUTHORIZE THE  
COMMINGLING OF EAGLE AND JUDITH RIVER  
FORMATION GAS IN THE WELLBORE OF THE  
FEDERAL P # 21-23-19N WELL LOCATED IN THE  
S½ OF SECTION 21, T23N-R19E, FERGUS  
COUNTY, MONTANA, AS AN EXCEPTION TO  
BOARD ORDER 19-1975.

ORDER 44-2009

Docket No. 49-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 NFR Bear Paw Basin LLC 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. 44-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
TAQA NORTH USA, INC. TO VACATE THE DWYER  
FIELD RULES ESTABLISHED IN BOARD ORDER  
25-1960 WITH RESPECT TO SECTION 17,  
T32N-R59E, SHERIDAN COUNTY, MONTANA.

ORDER 45-2009

Docket No. 50-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 TAQA North USA, Inc. is granted as applied for.

BOARD ORDER NO. 45-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
WAVE USA, INC. TO CREATE A PERMANENT SPACING  
UNIT COMPRISED OF THE E½ OF SECTION  
20, T26N-R4W, TETON COUNTY, MONTANA,  
FOR PRODUCTION OF MADISON  
FORMATION NATURAL GAS FROM ITS  
ALZHEIMER # 8-20-26-4 WELL LOCATED  
1755' FNL AND 564' FEL OF SAID SECTION 20.

ORDER 46-2009

Docket No. 51-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 E½ of Section 20, T26N-R4W, Teton County, Montana, is designated a permanent spacing unit for production of Madison Formation natural gas from the Alzheimer #8-20-26-4 well located 1755' FNL and 564' FEL of said Section 20.

BOARD ORDER NO. 46-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

\_\_\_\_\_  
Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
CHESAPEAKE OPERATING, INC. TO CREATE A PERMANENT  
SPACING UNIT FOR THE MISSION CANYON FORMATION  
COMPRISED OF THE S½ OF SECTION 34, T26N-R59E,  
RICHLAND COUNTY, MONTANA, AND TO DESIGNATE  
APPLICANT'S NOTEBOOM 1-34 WELL AS THE  
AUTHORIZED WELL FOR SAID SPACING UNIT.

ORDER 47-2009

Docket No. 437-2008

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 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 S½ of Section 34, T26N-R59E, Richland County, Montana, is designated a permanent spacing unit for the Mission Canyon Formation.

IT IS FURTHER ORDERED that the Noteboom 1-34 well is the authorized well for said spacing unit.

BOARD ORDER NO. 47-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC. TO CREATE  
A PERMANENT SPACING UNIT COMPRISED OF ALL  
OF SECTION 19, T31N-R24E, BLAINE COUNTY,  
MONTANA, FORT BELKNAP INDIAN RESERVATION,  
FOR EAGLE FORMATION NATURAL GAS PRODUCTION  
FROM THE STEPHENS WHITE BEAR 10-19 AND  
10B-19 WELLS.

ORDER 48-2009

Docket No. 16-2009 & 18-2009 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.
2. The Board's order will apply to the fee interest in the NE $\frac{1}{4}$  of Section 19. The Bureau of Land Management of the United States Department of Interior will issue the order pertaining to the remaining lands included in this application.
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 all of Section 19, T31N-24E, Blaine County, Montana, Fort Belknap Indian Reservation, is designated a permanent spacing unit for Eagle Formation natural gas production from the Stephens White Bear 10-19 and 10B-19 wells.

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. 48-2009

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, 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

ORDER 49-2009

UPON THE BOARD'S OWN MOTION TO REQUIRE  
ATHENA ENERGY LLC AND RED MAPLE ENERGY INC.  
TO APPEAR AND SHOW CAUSE, IF ANY THEY HAVE,  
WHY THEIR BONDS SHOULD NOT BE FORFEITED OR  
PENALTIES ASSESSED FOR FAILURE TO RESTORE  
THE DRILLING LOCATION FOR THE SCHALLER  
FARMS 11-30 WELL (API 025-041-22940) IN HILL  
COUNTY, MONTANA; FAILURE TO RECLAIM A  
WORKOVER PIT AT THE AAGESON 34-22 WELL  
(API 025-041-23012) IN HILL COUNTY, MONTANA;  
FAILURE TO RECLAIM DRILLING PITS AND POST  
WELL IDENTIFICATION ON THE LANE 1101-52 SHUT  
IN GAS WELL (API -025-071-22909) IN PHILLIPS COUNTY,  
MONTANA; AND FAILURE TO REPORT PRODUCTION  
ON THE FOLLOWING WELLS SINCE APRIL 2008:  
PATRICK 21-6 (025-041-22939) – HILL  
BARKER 11-7 (025-041-22999) – HILL  
AAGESON 34-22 (025-041-23012) – HILL  
WANKEN FARMS 14-1 (025-051-21771) – LIBERTY  
C&A FARMS 42-18 (025-051-21718) – LIBERTY  
MINNEHAN 44-33 (025-051-21770) – LIBERTY  
EAGLE CREEK FED 43-15 (025-051-21774) – LIBERTY  
EAGLE CREEK FED 32-15 (025-051-21775) – LIBERTY  
ANDERSON 43-8 (025-051-21784) – LIBERTY  
O'NEILL 24-29 (025-051-21719) – LIBERTY  
OLSEN 12-24 (025-071-22743) – PHILLIPS  
FEDERAL 2210-51 (025-071-22825) – PHILLIPS  
LANE 1101-52 (025-071-22909) - PHILLIPS  
FED 1204-1 (025-105-21074) – VALLEY

Docket No. 21-2009

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.
2. Kerry and Diana Patrick, surface owners on the Patrick 21-6 and Barker 11-7 wells, appeared in person at the hearing and submitted a follow-up letter to the Board regarding this matter.
3. Ms. Devra Hofferber of Athena Energy, LLC's (Athena) Butte office appeared at the hearing. She said she was unable to answer any questions, but submitted a letter stating Mr. Tim German, President of Athena: a) was unable to attend the hearing due to illness; and b) planned to attend the Board's May hearing.

BOARD ORDER NO. 49-2009

4. Board member Jack King asked if the Board could order Athena to reimburse the Patricks for travel costs. The Board's attorney will check to see if the Board has that authority.

5. The evidence indicates that taking the following action 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 this matter is continued to the Board's May 28, 2009 public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

\_\_\_\_\_  
Jack King, Board Member

\_\_\_\_\_  
Bret Smelser, 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

UPON THE BOARD'S OWN MOTION TO REQUIRE  
TOI OPERATING, BLACKHAWK RESOURCES LLC  
AND PAR INVESTMENTS, LLC TO APPEAR AND  
SHOW CAUSE, IF ANY THEY HAVE, WHY THEIR  
BONDS SHOULD NOT BE FORFEITED OR  
PENALTIES ASSESSED FOR FAILURE TO  
COMPLETE THE PLUGGING PROGRAM FOR THE  
FOLLOWING WELLS AS SET FORTH IN TOI  
OPERATING'S MEMO TO THE BOARD DATED  
OCTOBER 26, 2005:

ORDER 50-2009

BN 11-11 (025-025-21273) - FALLON  
BN 12-11 (025-025-21021) - FALLON  
DORE #1 (025-083-21281) - RICHLAND  
WATTS 34-15 (025-083-21535) - RICHLAND  
LABONTE 32-33 (025-083-21748) - RICHLAND  
MOERMAN 14-30 (025-109-21053) - WIBAUX

Docket No. 22-2009

Report of the Board

The above entitled cause was scheduled for hearing on the 2nd day of April, 2009 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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 present evidence, oral and documentary.

2. Mr. Keith Carver of TOI Operating and Mr. Mike Gleason of PAR Investments, LLC were present at the Board's April 1, 2009 business meeting to discuss TOI's February 10, 2009 revised plugging plan, which was distributed to all members for their review as per Board Order 27-2009.

3. Board members Mr. King and Mr. Smith did not believe the revised plugging plan was adequate because work extends into late 2010.

4. Board member Mr. Smith suggested October 1, 2009 be the ending date for this matter and that the TOI bond be forfeited at that time.

BOARD ORDER NO. 50-2009

5. The evidence indicates that taking the following action 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 show-cause hearing for forfeiture of the TOI Operating bond be scheduled for the Board's October 15, 2009 public hearing.

IT IS FURTHER ORDERED that the show-cause hearing scheduled for April 2, 2009 be dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 1<sup>st</sup> day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

I dissent. The October 1, 2009 timeline is unreasonable and places a burden on both the operator and the state.

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Bret Smelser, Board Member

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

UPON THE APPLICATION OF MONTANA  
LAND & EXPLORATION, INC. TO CREATE  
A PERMANENT SPACING UNIT COMPRISED  
OF THE SW<sup>1</sup>/<sub>4</sub> OF SECTION 20, THE NW<sup>1</sup>/<sub>4</sub> OF  
SECTION 29 AND THE NE<sup>1</sup>/<sub>4</sub> OF SECTION 30,  
T31N-R24E, FORT BELKNAP INDIAN RESERVATION,  
BLAINE COUNTY, MONTANA, FOR PRODUCTION  
OF EAGLE FORMATION NATURAL GAS FROM  
APPLICANT'S ML&E STEPHENS WHITE BEAR  
1-30 WELL.

ORDER NO. 51-2009

Docket No. 446-2008 & 13-2009 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 11th day of December, 2008 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in 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. Members Jack King and Joan Duffield were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. At the December 2008 hearing, applicant's attorney stated there were no fee interests in the tracts being spaced. Consequently, no Board Order was issued and the Bureau of Land Management (BLM) issued the order for the lands included in the application.
3. At the December 2008 hearing, applicant and the BLM jointly modified the request to include the SE<sup>1</sup>/<sub>4</sub> of Section 19, T31N-R24E in the permanent spacing unit.
4. The BLM denied applicant's original request and approved the jointly modified request to create a permanent spacing unit comprised of the SW<sup>1</sup>/<sub>4</sub> of Section 20, the NW<sup>1</sup>/<sub>4</sub> of Section 29, the NE<sup>1</sup>/<sub>4</sub> of Section 30 and the SE<sup>1</sup>/<sub>4</sub> of Section 19, T31N-R24E, Blaine County, Montana.
5. Prior to the Board's April 1, 2009 business meeting, applicant's attorney advised the Board there was a 1.587 percent fee interest in the permanent spacing unit approved by the BLM as stated in Findings of Fact #4 above, and that a Board Order was necessary. The Board's attorney determined an Order could be issued after the hearing because all due process was followed.
6. The Board voted at its April 1, 2009 business meeting to issue an order for the fee interest determined to be included in Docket 446-2008.
7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

BOARD ORDER NO.51-2009

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SW¼ of Section 20, the NW¼ of Section 29, the NE¼ of Section 30 and the SE¼ of Section 19, T31N-R24E, Blaine County, Montana. is designated a permanent spacing unit for production of Eagle Formation natural gas from applicant's ML&E Stephens White Bear 1-30 well.

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 1<sup>st</sup> day of April, 2009.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Don Bradshaw, Board Member

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Ronald S. Efta, Board Member

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Jay Gunderson, Board Member

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Jack King, Board Member

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Bret Smelser, Board Member

ATTEST:

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Terri H. Perrigo, Executive Secretary

