

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO DRILL AN ADDITIONAL HORIZONTAL  
BAKKEN FORMATION WELL IN THE  
PERMANENT SPACING UNIT COMPRISED  
OF THE NW¼ AND S½ OF SECTION 20 AND  
ALL OF SECTION 29, T23N-R57E, RICHLAND  
COUNTY, MONTANA, ANYWHERE WITHIN  
SAID PERMANENT SPACING UNIT BUT NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 324-2004

Docket No. 382-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Headington Oil, Limited Partnership is authorized to drill an additional horizontal Bakken Formation well in the permanent spacing unit comprised of the NW¼ and S½ of Section 20 and all of Section 29, T23N-R57E, Richland County, Montana. Said well may be drilled anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 324-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO CREATE A TEMPORARY SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 16 AND 21,  
T25N-R52E, RICHLAND COUNTY, MONTANA,  
AND TO AUTHORIZE THE DRILLING OF A  
HORIZONTAL BAKKEN FORMATION WELL  
ANYWHERE WITHIN SAID TEMPORARY  
SPACING UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 325-2004

Docket No. 383-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that a temporary spacing unit comprised of all of Sections 16 and 21, T25N-R52E, Richland County, Montana is hereby created for the Bakken Formation.

IT IS FURTHER ORDERED that applicant may drill a horizontal Bakken Formation well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 325-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO CREATE A TEMPORARY SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 16 AND 17,  
T25N-R54E, RICHLAND COUNTY, MONTANA,  
AND TO AUTHORIZE THE DRILLING OF A  
HORIZONTAL BAKKEN FORMATION WELL  
ANYWHERE WITHIN SAID TEMPORARY  
SPACING UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 326-2004

Docket No. 384-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 16 and 17, T25N-R54E, Richland County, Montana, are designated a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill a horizontal Bakken Formation well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 326-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO CREATE A TEMPORARY SPACING UNIT  
COMPRISED OF ALL OF SECTION 36,  
T26N-R52E AND LOTS 1, 2, 3, 4, S½N½, S½  
(ALL) OF SECTION 1, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO AUTHORIZE  
THE DRILLING OF A HORIZONTAL BAKKEN  
FORMATION WELL ANYWHERE WITHIN  
SAID TEMPORARY SPACING UNIT BUT  
NOT CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 327-2004

Docket No. 385-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 36, T26N-R52E and Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 1, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill a horizontal Bakken Formation well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 327-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO CREATE A TEMPORARY SPACING UNIT  
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½  
(ALL) OF SECTION 3 AND LOTS 1, 2, 3, 4,  
S½N½, S½ (ALL) OF SECTION 4, T22N-R58E,  
RICHLAND COUNTY, MONTANA, AND TO  
AUTHORIZE THE DRILLING OF A  
HORIZONTAL BAKKEN FORMATION WELL  
ANYWHERE WITHIN SAID TEMPORARY  
SPACING UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 328-2004

Docket No. 386-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 3 and Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 4, T22N-R58E, Richland County, Montana, are designated a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to drill a horizontal Bakken Formation well anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 328-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO DELINEATE SECTION 16, T25N-R53E,  
RICHLAND COUNTY, MONTANA, AS A  
FIELD AND PERMANENT SPACING UNIT  
FOR THE PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM  
THE BAKKEN FORMATION AND TO  
DESIGNATE APPLICANT'S STEPPLER  
STATE #34X-16 WELL AS THE ONLY  
AUTHORIZED WELL FOR SAID  
SPACING UNIT.

ORDER NO. 329-2004

Docket No. 387-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 16, T25N-R53E, Richland County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Steppler State #34X-16 well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 329-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO DELINEATE THE S½ OF SECTION 33,  
T24N-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 TO  
DESIGNATE APPLICANT'S ALBIN #13X-33  
WELL AS THE ONLY AUTHORIZED WELL  
FOR SAID SPACING UNIT.

ORDER NO. 330-2004

Docket No. 388-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S½ of Section 33, T24N-R57E, Richland County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Albin #13X-33 well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 330-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO DELINEATE ALL OF SECTION 26,  
T22N-R59E, RICHLAND COUNTY, MONTANA,  
AS A FIELD AND PERMANENT SPACING  
UNIT FOR THE PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE  
BAKKEN FORMATION AND TO DESIGNATE  
APPLICANT'S RAU #11X-26 WELL AS THE  
ONLY AUTHORIZED WELL FOR SAID SPACING UNIT.

ORDER NO. 331-2004

Docket No. 389-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 26, T22N-R59E, Richland County, Montana, is delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Rau #11X-26 well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 331-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO POOL ALL INTERESTS IN THE SPACING  
UNIT COMPRISED OF SECTION 26,  
T22N-R59E, RICHLAND COUNTY, MONTANA,  
FOR PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE  
BAKKEN FORMATION AND TO AUTHORIZE  
RECOVERY OF NON-CONSENT PENALTIES  
IN ACCORDANCE WITH SECTION 82-11-202 (2), M.C.A.

ORDER NO. 332-2004

Docket No. 390-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in 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 all interests in the Bakken Formation underlying Section 26, T22N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that applicant is entitled to recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. for those interest owners who did not voluntarily pool their interest in this spacing unit.

BOARD ORDER NO. 332-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO DELINEATE LOTS 1, 2, 3, 4, S½S½ (ALL)  
OF SECTION 1 AND THE E½ AND SW¼ OF  
SECTION 12, 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 TO DESIGNATE  
APPLICANT'S FINK #42X-12 WELL AS  
THE ONLY AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 333-2004

Docket No. 391 -2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Lots 1, 2, 3, 4, S½S½ (all) of Section 1 and the E½ and SW¼ of Section 12, T24N-R55E, Richland County, Montana, are delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Fink #42X-12 well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 333-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
HEADINGTON OIL, LIMITED PARTNERSHIP  
TO POOL ALL INTERESTS IN THE SPACING  
UNIT COMPRISED OF LOTS 1, 2, 3, 4, S $\frac{1}{2}$ S $\frac{1}{2}$   
(ALL) OF SECTION 1 AND THE E $\frac{1}{2}$  AND  
SW $\frac{1}{4}$  OF SECTION 12, T24N-R55E, RICHLAND  
COUNTY, MONTANA, FOR PRODUCTION  
OF OIL AND ASSOCIATED NATURAL GAS  
FROM THE BAKKEN FORMATION, AND TO  
AUTHORIZE RECOVERY OF NON-CONSENT  
PENALTIES IN ACCORDANCE WITH  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 334-2004

Docket No. 392-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 all interests in the spacing unit comprised of Lots 1, 2, 3, 4, S $\frac{1}{2}$ S $\frac{1}{2}$  (all) of Section 1 and the E $\frac{1}{2}$  and SW $\frac{1}{4}$  of Section 12, T24N-R55E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation are hereby pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that applicant is entitled to recovery of non-consent penalties in accordance with Section 82-11-202 (2), M.C.A.

BOARD ORDER NO. 334-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE MOTION OF  
MONTANA BOARD OF OIL  
AND GAS CONSERVATION  
TO DETERMINE WHETHER  
OPERATORS NOW FLARING  
GAS IN RICHLAND COUNTY,  
MONTANA, WILL BE  
PERMITTED TO CONTINUE  
TO DO SO AFTER  
DECEMBER 8, 2004.

ORDER NO. 335-2004

Docket No. 394-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. Evidence presented to the Board indicates that all wells authorized to flare more than 100 mcf of gas a day in Richland County, Montana will be connected to recently built or enlarged gas gathering facilities by the end of December 2004.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all operators in Richland County, Montana, authorized to flare more than 100 mcf of gas a day until December 8, 2004, are in substantial compliance and no further action is necessary in this matter.

BOARD ORDER NO. 335-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
SHAKESPEARE OIL COMPANY, INC.  
TO AUTHORIZE UNDERGROUND  
INJECTION IN ITS THORSON  
UNIT-SWD #1 WELL LOCATED  
1520' FSL AND 500' FWL IN THE  
SW¼ OF SECTION 21, T36N-R52E,  
SHERIDAN COUNTY, MONTANA.  
(WEST OUTLOOK FIELD)

ORDER NO. 336-2004

Docket No. 401-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Shakespeare Oil Co., Inc. is authorized to inject fluids into its Thorson Unit-SWD #1 well subject to the stipulations on the Sundry Notice.

BOARD ORDER NO. 336-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
SLAWSON EXPLORATION COMPANY, INC.  
TO DELINEATE ALL OF SECTIONS 13 AND  
24, T24N-R53E, RICHLAND COUNTY,  
MONTANA, AS A FIELD AND PERMANENT  
SPACING UNIT FOR THE PRODUCTION OF  
OIL AND ASSOCIATED NATURAL GAS  
FROM THE BAKKEN FORMATION AND TO  
DESIGNATE APPLICANT'S MATADOR  
#1-13H WELL AS THE ONLY AUTHORIZED  
WELL FOR SAID SPACING UNIT.

ORDER NO. 337-2004

Docket No. 402-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Sections 13 and 24, T24N-R53E Richland County, Montana, are designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Matador #1-13H well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 337-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
SLAWSON EXPLORATION COMPANY, INC.  
TO DRILL AN ADDITIONAL HORIZONTAL  
BAKKEN FORMATION WELL IN THE  
TEMPORARY SPACING UNIT COMPRISED  
OF ALL OF SECTIONS 14 AND 23, T24N-R53E,  
RICHLAND COUNTY, MONTANA, SAID  
WELL TO BE LOCATED ANYWHERE WITHIN  
SAID TEMPORARY SPACING UNIT BUT NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 338-2004

Docket No. 403-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Slawson Exploration Company, Inc. is authorized to drill an additional horizontal Bakken Formation well in the temporary spacing unit comprised of all of Sections 14 and 23, T24N-R53E, Richland County, Montana. Said well may be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 338-2204

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
WESTPORT OIL AND GAS COMPANY, L.P.  
TO DELINEATE ALL OF SECTION 23,  
T23N-R57E, RICHLAND COUNTY,  
MONTANA, AS A FIELD AND PERMANENT  
SPACING UNIT FOR PRODUCTION OF OIL  
AND NATURAL GAS FROM THE BAKKEN  
FORMATION AND DESIGNATING  
APPLICANT'S STEINBEISSER #21-23H WELL  
AS THE ONLY AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 339-2004

Docket No. 404-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 23, T23N-R57E, Richland County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Steinbeisser #21-23H well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 339-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENCORE OPERATING, L.P. TO  
DESIGNATE THE FOLLOWING  
OIL WELLS IN FALLON, DAWSON  
AND WIBAUX COUNTIES,  
MONTANA AS ENTITLED TO  
RECEIVE THE APPROPRIATE  
SEVERANCE TAX REDUCTION  
FOR HORIZONTAL RE-ENTRIES.

ORDER NO. 340-2004

API Number	Well Name	Completion Date
25-025-05145-00-00	Unit 22-11CCH	September 2004
25-109-05100-00-00	South Pine 21 10AH	September 2004
25-021-05090-00-00	J.W. Reynolds 1H	September 2004

Docket No. 405-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the wells listed above are entitled to receive the appropriate severance tax reduction for horizontal re-entries.

BOARD ORDER NO. 340-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENCORE OPERATING, L.P. TO  
DRILL AN EAGLE FORMATION  
GAS WELL IN A 320-ACRE  
TEMPORARY SPACING UNIT  
CONSISTING OF THE SE $\frac{1}{4}$  OF  
SECTION 21 AND THE SW $\frac{1}{4}$  OF  
SECTION 22, T35N-R12E, HILL  
COUNTY, MONTANA, AT A  
LOCATION 1700' FSL AND 200' FWL  
OF SAID SECTION 22, WITH A  
150-FOOT TOLERANCE FOR  
TOPOGRAPHIC REASONS OR WELL  
LOCATION REQUIREMENTS  
PERTAINING TO CULTURAL  
RESOURCES AS AN EXCEPTION  
TO A.R.M. 36.22.702.

ORDER NO. 341-2004

Docket No. 406-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Encore Operating L.P. is authorized to drill an Eagle Formation gas well in a temporary spacing unit consisting of the SE $\frac{1}{4}$  of Section 21 and the SW $\frac{1}{4}$  of Section 22, T35N-R12E, Hill County, Montana, at a location 1700' FSL and 200' FWL of said Section 22, with a 150-foot tolerance for topographic reasons or well location requirements pertaining to cultural resources as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that Board Order 317-2004 is vacated.

BOARD ORDER NO. 341-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENCORE OPERATING, L.P. TO DRILL  
AN EAGLE FORMATION GAS WELL  
IN A 640-ACRE TEMPORARY SPACING  
UNIT CONSISTING OF THE SE $\frac{1}{4}$  OF  
SECTION 11, SW $\frac{1}{4}$  OF SECTION 12, NW $\frac{1}{4}$   
OF SECTION 13 AND THE NE $\frac{1}{4}$  OF  
SECTION 14, T34N-R12E, HILL COUNTY,  
MONTANA, AT A LOCATION NOT LESS  
THAN 990 FEET FROM THE EXTERIOR  
BOUNDARIES OF SUCH TEMPORARY  
SPACING UNIT, AS AN EXCEPTION TO  
A.R.M. 36.22.702. APPLICANT NOTES THAT  
THE REQUESTED SPACING UNIT IS A  
SPACING UNIT FOR A SPECIFIC  
GEOLOGIC FEATURE AND OVERLAPS  
THE EXISTING STATEWIDE 640-ACRE  
TEMPORARY SPACING UNITS FOR ALL  
OF SECTIONS 11, 12, 13 AND 14.

ORDER NO. 342-2004

Docket No. 407-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Encore Operating, L.P. is granted as applied for. It is noted that the requested spacing unit is for a specific geologic feature and overlaps the existing statewide 640-acre temporary spacing units for all of Sections 11, 12, 13 and 14.

BOARD ORDER NO. 342-2004

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 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENCORE OPERATING, L.P. TO  
CONVERT ITS 11-08 RED RIVER  
FORMATION INJECTION WELL  
LOCATED IN THE NW¼NW¼  
OF SECTION 8, T4N-R62E, IN THE  
LITTLE BEAVER EAST FIELD  
IN FALLON COUNTY, MONTANA,  
TO A MISSION CANYON  
FORMATION DISPOSAL WELL.

ORDER NO. 343-2004

Docket No. 408-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Encore Operating, L.P. is authorized to convert its 11-08 Red River Formation injection well to a Mission Canyon Formation disposal well, subject to the stipulations on the Sundry Notice.

BOARD ORDER NO. 343-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
NANCE PETROLEUM CORPORATION  
TO DELINEATE ALL OF SECTION 25,  
T23N-R57E, RICHLAND COUNTY,  
MONTANA, AS A 640-ACRE  
PERMANENT SPACING UNIT FOR THE  
BAKKEN FORMATION AND TO  
DESIGNATE APPLICANT'S COON  
2-25H WELL AS THE ONLY  
AUTHORIZED WELL FOR SAID  
SPACING UNIT.

ORDER NO. 344-2004

Docket No. 409-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 25, T23N-R57E, Richland County, Montana, is delineated as a field and permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Coon 2-25H well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 344-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
NANCE PETROLEUM CORPORATION  
TO DELINEATE THE E½ OF SECTION 19,  
T23N-R59E, RICHLAND COUNTY,  
MONTANA, AS A 320-ACRE PERMANENT  
SPACING UNIT FOR THE BAKKEN  
FORMATION AND TO DESIGNATE  
APPLICANT'S ANDERSEN 19-43HR WELL  
AS THE ONLY AUTHORIZED WELL  
FOR SAID SPACING UNIT.

ORDER NO. 345-2004

Docket No. 411-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 19, T23N-R59E, Richland County, Montana, is delineated as a field and permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Andersen 19-43HR well is designated as the authorized well for said spacing unit.

BOARD ORDER NO. 345-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
NANCE PETROLEUM CORPORATION  
TO RECOMPLETE THE LARSON #2  
WELL LOCATED 1980' FSL AND  
2120' FWL OF SECTION 26, T23N-R57E,  
RICHLAND COUNTY, MONTANA, IN  
THE DUPEROW FORMATION IN A  
320-ACRE TEMPORARY SPACING  
UNIT CONSISTING OF THE S½ OF  
SAID SECTION 26, AND TO  
COMMINGLE SUCH PRODUCTION  
WITH EXISTING RED RIVER  
PRODUCTION FROM THE  
LARSON #2 WELL.

ORDER NO. 346-2004

Docket No. 412-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Nance Petroleum Corporation is authorized to re-complete its Larson #2 well located 1980' FSL and 2120' FWL of Section 26, T23N-R57E, Richland County, Montana, in the Duperow Formation in a 320-acre temporary spacing unit consisting of the S½ of said Section 26.

IT IS FURTHER ORDERED that applicant is authorized to commingle Duperow Formation production with existing Red River production from the Larson #2 well.

BOARD ORDER NO. 346-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
NANCE PETROLEUM CORPORATION  
TO DESIGNATE THE STATE 8-16 WELL  
LOCATED IN SECTION 16, T23N-R58E,  
RICHLAND COUNTY, MONTANA, AS  
ENTITLED TO RECEIVE THE  
APPROPRIATE SEVERANCE TAX  
REDUCTION FOR HORIZONTAL  
RE-ENTRIES.

ORDER NO. 347-2004

Docket No. 413-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Nance Petroleum Corporation is entitled to receive the appropriate severance tax reduction for horizontal re-entries for its State 8-16 well located in Section 16, T23N-R58E, Richland County, Montana.

BOARD ORDER NO. 347-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CAMWEST II L.P. TO CONVERT  
ITS DWYER 9-02 WELL  
LOCATED 1980' FSL AND  
660' FEL OF SECTION 14,  
T32N-R58E, IN THE DWYER  
FIELD IN SHERIDAN COUNTY,  
MONTANA, TO A WATER  
INJECTION WELL TO INJECT  
WATER INTO THE MISSISSIPPIAN  
DWYER INTERVAL.

ORDER NO. 348-2004

Docket No. 414-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that CamWest II L.P. is authorized to convert its Dwyer 9-02 well to a injection well and to inject water into the Mississippian Dwyer interval, subject to the stipulations in the Sundry Notice.

BOARD ORDER NO. 348-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
JAKE OIL, LLC TO CONVERT  
AND INJECT WATER INTO  
THE FIRST CAT CREEK  
FORMATION IN THE  
CURRENTLY SHUT-IN  
VAN ARSDALE #14-35 WELL  
LOCATED 660' FSL AND  
663' FWL OF SECTION 35,  
T9N-R24E, IN THE MASON  
LAKE FIELD IN MUSSELSHELL  
COUNTY, MONTANA.

ORDER NO. 349-2004

Docket No. 415-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Jake Oil, LLC is authorized to convert and inject water into the First Cat Creek Formation in the currently shut-in Van Arsdale #14-35 well, subject to the stipulations in the Sundry Notice.

BOARD ORDER NO. 349-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
JAKE OIL, LLC TO CONVERT  
AND INJECT WATER INTO  
THE FIRST CAT CREEK  
FORMATION IN THE  
FEDERAL #41-2 WELL  
LOCATED 660' FNL AND  
660' FEL OF SECTION 2,  
T8N-R24E, IN THE MASON  
LAKE FIELD IN MUSSELSHELL  
COUNTY, MONTANA.

ORDER NO. 350-2004

Docket No. 416-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Jake Oil, LLC is authorized to convert and inject water into the First Cat Creek Formation in the Federal #41-2 well, subject to the stipulations in the Sundry Notice.

BOARD ORDER NO. 350-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
PETE WOODS TO DELINEATE THE  
NW¼ OF SECTION 19, T37N-R6E,  
LIBERTY COUNTY, MONTANA,  
AS A PERMANENT SPACING UNIT  
FOR PRODUCTION OF NATURAL  
GAS FROM THE MCQUIGG NO. 1-19  
WELL LOCATED 660' FNL AND  
660' FWL OF SAID SECTION 19.

ORDER NO. 351-2004

Docket No. 417-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NW¼ of Section 19, T37N-R6E, Liberty County, Montana, is delineated as a permanent spacing unit for production of natural gas from the Blackleaf Spike zone in the McQuigg No. 1-19 well located 660' FNL and 660' FWL of said Section 19.

BOARD ORDER NO. 351-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC.  
TO DELINEATE SECTION 12, T33N-R22E,  
BLAINE COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR THE  
ML&E ET AL SE CHERRY PATCH 5-12  
EAGLE FORMATION NATURAL GAS  
WELL LOCATED APPROXIMATELY  
796' FWL AND 1686' FNL OF  
SAID SECTION 12.

ORDER NO. 352-2004

Docket No. 418-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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. Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 12, T33N-R22E, Blaine County, Montana, is designated a permanent spacing unit for the ML&E et al SE Cherry Patch 5-12 Eagle Formation natural gas well located approximately 796' FWL and 1686' FNL of said Section 12.

BOARD ORDER NO. 352-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC.  
TO DELINEATE SECTION 12, T34N-R21E,  
BLAINE COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR THE  
ML&E ET AL CHERRY PATCH 9-12 EAGLE  
FORMATION NATURAL GAS WELL  
LOCATED APPROXIMATELY 487' FEL  
AND 1693' FSL OF SAID SECTION 12.

ORDER NO. 353-2004

Docket No. 419-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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. Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 12, T34N-R21E, Blaine County, Montana, is designated a permanent spacing unit for the ML&E et al Cherry Patch 9-12 Eagle Formation natural gas well located approximately 487' FEL and 1693' FSL of said Section 12.

BOARD ORDER NO. 353-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC.  
TO DELINEATE SECTION 9, T33N-R22E,  
BLAINE COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR THE  
ML&E ET AL CHERRY PATCH 4-9 EAGLE  
FORMATION NATURAL GAS WELL  
LOCATED APPROXIMATELY 951' FWL  
AND 1215' FNL OF SAID SECTION 9.

ORDER NO. 354-2004

Docket No. 420-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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. Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 9, T33N-R22E, Blaine County, Montana, is designated a permanent spacing unit for the ML&E et al Cherry Patch 4-9 Eagle Formation natural gas well located approximately 951' FWL and 1215' FNL of said Section 9.

BOARD ORDER NO. 354-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
MONTANA LAND & EXPLORATION, INC.  
TO DELINEATE THE W½ OF SECTION 28  
AND THE E½ OF SECTION 29, T34N-R22E,  
BLAINE COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR THE  
ML&E ET AL CHERRY PATCH 16-29 EAGLE  
FORMATION NATURAL GAS WELL  
LOCATED APPROXIMATELY 437' FEL  
AND 1013' FSL OF SAID SECTION 29.

ORDER NO. 355-2004

Docket No. 421-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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. Jack King recused himself. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application 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 28 and the E½ of Section 29, T34N-R22E, Blaine County, Montana, are designated a permanent spacing unit for the ML&E et al Cherry Patch 16-29 Eagle Formation natural gas well located approximately 437' FEL and 1013' FSL of said Section 29.

BOARD ORDER NO. 355-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND  
JUDITH RIVER FORMATION GAS  
IN THE WELLBORE OF THE  
ROBINSON-FEDERAL #3-25-18  
WELL LOCATED IN SECTION 3,  
T25N-R18E, BLAINE COUNTY,  
MONTANA.

ORDER NO. 356-2004

Docket No. 422-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Robinson-Federal #3-25-18 well located in Section 3, T25N-R18E, Blaine County, Montana.

BOARD ORDER NO. 356-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE  
GASVODA-FEDERAL #12-25-18D  
WELL LOCATED IN SECTION 12,  
T25N-R18E, BLAINE COUNTY,  
MONTANA.

ORDER NO. 357-2004

Docket No. 423-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Gasvoda-Federal #12-25-18D well located in Section 12, T25N-R18E, Blaine County, Montana.

BOARD ORDER NO. 357-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE  
GASVODA-FEDERAL #12-25-18E  
WELL LOCATED IN SECTION 12,  
T25N-R18E, BLAINE COUNTY,  
MONTANA.

ORDER NO. 358-2004

Docket No. 424-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Gasvoda-Federal #12-25-18E well located in Section 12, T25N-R18E, Blaine County, Montana.

BOARD ORDER NO. 358-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE HOKANSON  
#1-26-16B WELL LOCATED IN  
SECTION 1, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 359-2004

Docket No. 425-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Hokanson #1-26-16B well located in Section 1, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 359-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH RIVER  
FORMATION GAS IN THE  
WELLBORE OF THE FEDERAL  
#10-26-16B WELL LOCATED IN  
SECTION 10, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 360-2004

Docket No. 426-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Federal #10-26-16B well located in Section 10, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 360-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE FEDERAL  
#15-26-16C WELL LOCATED IN  
SECTION 15, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 361-2004

Docket No. 429-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Federal #15-26-16C well located in Section 15, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 361-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE IX  
RANCH-FEDERAL #15-26-16D WELL  
LOCATED IN SECTION 15, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 362-2004

Docket No. 430-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the IX Ranch-Federal #15-26-16D well located in Section 15, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 362-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH RIVER  
FORMATION GAS IN THE WELLBORE  
OF THE FEDERAL #15-26-16F WELL  
LOCATED IN SECTION 15, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 363-2004

Docket No. 432-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Federal #15-26-16F well located in Section 15, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 363-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH RIVER  
FORMATION GAS IN THE WELLBORE  
OF THE FEDERAL #15-26-16E WELL  
LOCATED IN SECTION 15, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 364-2004

Docket No. 433-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the Federal #15-26-16E well located in Section 15, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 364-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE STATE  
#16-26-16-9 WELL LOCATED IN  
SECTION 16, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 365-2004

Docket No. 434-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the State #16-26-16-9 well located in Section 16, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 365-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE STATE  
#16-26-16B WELL LOCATED IN  
SECTION 16, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 366-2004

Docket No. 435-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the State #16-26-16B well located in Section 16, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 366-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE STATE  
#16-26-16C WELL LOCATED IN  
SECTION 16, T26N-R16E,  
CHOUTEAU COUNTY, MONTANA.

ORDER NO. 367-2004

Docket No. 436-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the State #16-26-16C well located in Section 16, T26N-R16E, Chouteau County, Montana.

BOARD ORDER NO. 367-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
AUTHORIZE THE COMMINGLING  
OF EAGLE SAND AND JUDITH  
RIVER FORMATION GAS IN THE  
WELLBORE OF THE STATE  
#36-26-19 WELL LOCATED IN  
SECTION 36, T26N-R19E,  
BLAINE COUNTY, MONTANA.

ORDER NO. 368-2004

Docket No. 437-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Klabzuba Oil & Gas, Inc. is authorized to commingle Eagle Sand and Judith River Formation gas in the wellbore of the State #36-26-19 well located in Section 36, T26N-R19E, Blaine County, Montana.

BOARD ORDER NO. 368-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
DESIGNATE THE S½ OF SECTION  
19 AND THE N½ OF SECTION 30,  
T33N-R17E, HILL COUNTY,  
MONTANA, AS A PERMANENT  
SPACING UNIT FOR PRODUCTION  
OF GAS FROM THE NIOBRARA  
FORMATION THROUGH THE  
STATE #30-33-17 WELLBORE.

ORDER NO. 369-2004

Docket No. 438-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S½ of Section 19 and the N½ of Section 30, T33N-R17E, Hill County, Montana, are designated as a permanent spacing unit for production of gas from the Niobrara Formation through the State #30-33-17 wellbore.

BOARD ORDER NO. 369-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
DESIGNATE THE E $\frac{1}{2}$ NE $\frac{1}{4}$  OF  
SECTION 33 AND THE W $\frac{1}{2}$ NW $\frac{1}{4}$   
OF SECTION 34, T33N-R15E, HILL  
COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR  
PRODUCTION OF EAGLE SAND  
FORMATION GAS AND TO  
AUTHORIZE APPLICANT TO  
PRODUCE NIOBRARA FORMATION  
GAS FROM THE STATE #33-1-33-15C  
WELLBORE AS AN EXCEPTION TO  
A.R.M. 36.22.702 (NON-COMMINGLED).

ORDER NO. 370-2004

Docket No. 439-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. At the hearing, applicant modified its application to only request designation of the spacing unit for the production of gas from the Eagle Formation from the State 33-1-33-15C wellbore.
3. The evidence indicates that granting the application as hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 33 and the W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 34, T33N-R15E, Hill County, Montana, are designated as a permanent spacing unit for production of gas from the Eagle Formation through the State 33-1-33-15C wellbore.

BOARD ORDER NO. 370-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
DESIGNATE THE NW¼ AND  
N½SW¼ OF SECTION 21, T37N-R15E,  
HILL COUNTY, MONTANA, AS A  
PERMANENT SPACING UNIT FOR  
PURPOSES OF DRILLING AND  
PRODUCING APPLICANT'S SIGNAL  
BUTTE #21-11-37-15 NIOBRARA  
FORMATION GAS WELL WITHIN  
SAID TRACT AT A LOCATION  
2452' FSL AND 1362' FWL OF SAID  
SECTION 21, WITH A 25-FOOT  
TOLERANCE IN ANY DIRECTION  
FOR TOPOGRAPHIC REASONS.

ORDER NO. 371-2004

Docket No. 440-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. This application was protested by the United States Department of the Interior, Bureau of Land Management (BLM). Mr. Pascual Laborda presented BLM's protest and exhibits.
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 NW¼ and N½SW¼ of Section 21, T37N-R15E, Hill County, Montana, are designated as a permanent spacing unit for purposes of drilling and producing applicant's Signal Butte #21-11-37-15 Niobrara Formation gas well at a location 2452' FSL and 1362' FWL of said Section 21, with a 25-foot tolerance in any direction for topographic reasons.

BOARD ORDER NO. 371-2004

IT IS NOTED that the Board recognizes the BLM protest, but feels the BLM is restricted by its inability to lease minerals in the area until they are proven to exist; and the Board declines to impose the uncertainty of leasing the BLM on the applicant.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

I dissent.

---

Elaine Mitchell, Board Member

I feel the Board Order should be for temporary spacing instead of permanent spacing.

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
CREATE A TEMPORARY SPACING  
UNIT COMPRISED OF ALL OF  
SECTIONS 11 AND 14, T25N-R52E,  
RICHLAND COUNTY, MONTANA,  
FOR THE DRILLING OF ONE  
MULTILATERAL HORIZONTAL WELL  
IN THE BAKKEN FORMATION AND  
AUTHORIZING SAID WELL TO BE  
LOCATED ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT LESS THAN  
660 FEET TO THE PROPOSED  
TEMPORARY SPACING UNIT BOUNDARY.

ORDER NO. 372-2004

Docket No. 442-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 11 and 14, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the drilling of one multilateral horizontal well in the Bakken Formation.

IT IS FURTHER ORDERED that said well may be located no closer than 660 feet to the boundaries of said spacing unit.

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. 372-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
CREATE A TEMPORARY SPACING  
UNIT COMPRISED OF ALL OF  
SECTIONS 23 AND 26, T23N-R55E,  
RICHLAND COUNTY, MONTANA, FOR  
THE DRILLING OF ONE  
MULTILATERAL HORIZONTAL WELL  
IN THE BAKKEN FORMATION AND  
AUTHORIZING SAID WELL TO BE  
LOCATED ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT LESS THAN  
660 FEET TO THE PROPOSED  
TEMPORARY SPACING UNIT BOUNDARY.

ORDER NO. 373-2004

Docket No. 443-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 23 and 26, T23N-R55E, Richland County, Montana, are designated as a temporary spacing unit for the drilling of one multilateral horizontal well in the Bakken Formation.

IT IS FURTHER ORDERED that said well may be located no closer than 660 feet to the boundaries of said spacing unit.

BOARD ORDER NO. 373-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
CREATE A TEMPORARY SPACING  
UNIT COMPRISED OF ALL OF  
SECTIONS 22 AND 27, T23N-R55E,  
RICHLAND COUNTY, MONTANA, FOR  
THE DRILLING OF ONE MULTILATERAL  
HORIZONTAL WELL IN THE BAKKEN  
FORMATION AND AUTHORIZING SAID  
WELL TO BE LOCATED ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT  
LESS THAN 660 FEET TO THE PROPOSED  
TEMPORARY SPACING UNIT BOUNDARY.

ORDER NO. 374-2004

Docket No. 444-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 22 and 27, T23N-R55E, Richland County, Montana, are designated as a temporary spacing unit for the drilling of one multilateral horizontal well in the Bakken Formation.

IT IS FURTHER ORDERED that said well may be located no closer than 660 feet to the boundaries of said spacing unit.

BOARD ORDER NO. 374-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
CREATE A TEMPORARY SPACING  
UNIT COMPRISED OF ALL OF  
SECTIONS 24 AND 25, T23N-R55E,  
RICHLAND COUNTY, MONTANA, FOR  
THE DRILLING OF ONE MULTILATERAL  
HORIZONTAL WELL IN THE BAKKEN  
FORMATION AND AUTHORIZING SAID  
WELL TO BE LOCATED ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT  
LESS THAN 660 FEET TO THE PROPOSED  
TEMPORARY SPACING UNIT BOUNDARY.

ORDER NO. 375-2004

Docket No. 445-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 24 and 25, T23N-R55E, Richland County, Montana, are designated as a temporary spacing unit for the drilling of one multilateral horizontal well in the Bakken Formation.

IT IS FURTHER ORDERED that said well may be located no closer than 660 feet to the boundaries of said spacing unit.

BOARD ORDER NO. 375-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
DELINEATE A FIELD, ESTABLISH  
FIELD RULES AND CREATE A  
PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 23  
AND 26, T23N-R56E, RICHLAND  
COUNTY, MONTANA, FOR  
PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE  
BAKKEN FORMATION THEREUNDER.

ORDER NO. 376-2004

Docket No. 446-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 23 and 26, T23N-R56E, Richland County, Montana, are delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation thereunder.

BOARD ORDER NO. 376-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
DELINEATE A FIELD, ESTABLISH  
FIELD RULES AND CREATE A  
PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 6  
AND 7, T24N-R54E, RICHLAND COUNTY,  
MONTANA, FOR PRODUCTION OF OIL  
AND ASSOCIATED NATURAL GAS  
FROM THE BAKKEN FORMATION  
THEREUNDER.

ORDER NO. 377-2004

Docket No. 447-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 6 and 7, T24N-R54E, Richland County, Montana, are delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation thereunder.

BOARD ORDER NO. 377-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
CONTINENTAL RESOURCES, INC. TO  
DELINEATE A FIELD, ESTABLISH  
FIELD RULES AND CREATE A  
PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTIONS 29  
AND 32, T25N-R55E, RICHLAND  
COUNTY, MONTANA, FOR PRODUCTION  
OF OIL AND ASSOCIATED NATURAL  
GAS FROM THE BAKKEN FORMATION  
THEREUNDER.

ORDER NO. 378-2004

Docket No. 448-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 29 and 32, T25N-R55E, Richland County, Montana, are delineated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation thereunder.

BOARD ORDER NO. 378-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
DEVON LOUISIANA CORPORATION  
TO POOL ALL INTERESTS IN THE  
SPACING UNIT COMPRISED OF THE  
E½ OF SECTION 33, T27N-R17E,  
CHOUTEAU COUNTY, MONTANA,  
FOR PRODUCTION OF EAGLE SAND  
FORMATION GAS AND AUTHORIZING  
RECOVERY OF NON-CONSENT  
PENALTIES IN ACCORDANCE WITH  
SECTION 82-11-202 (2), M.C.A.

ORDER NO. 379-2004

Docket No. 457-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the spacing unit comprised of the E½ of Section 33, T27N-R17E, Chouteau County, Montana, for production of Eagle Sand Formation gas, are pooled on the basis of surface acreage.

IT IS FURTHER ORDERED that non-consent penalties in accordance with Section 82-11-202 (2), M.C.A. are authorized.

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. 379-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
K2 AMERICA CORP. TO DRILL ITS  
NORTH FORK #6 NATURAL GAS  
TEST WELL IN SECTION 31,  
T37N-R12W, GLACIER COUNTY,  
MONTANA, AT A LOCATION  
APPROXIMATELY 1620' FNL AND  
480' FWL OF SAID SECTION 31,  
AS AN EXCEPTION TO THE  
STATEWIDE RULE.

ORDER NO. 380-2004

Docket No. 458-2004 & 1-2005 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The applicant indicated that, in the event of a successful completion, an application for permanent spacing would be made within ninety (90) days of first production.
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 K2 America Corp. is authorized to drill its North Fork #6 natural gas test well in Section 31, T37N-R12W, Glacier County, Montana, at a location approximately 1620' FNL and 480' FWL of said Section 31, as an exception to the statewide rule.

BOARD ORDER NO. 380-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
K2 AMERICA CORP. TO DRILL ITS  
SPRING CREEK MOULTON #1  
NATURAL GAS TEST WELL IN  
SECTION 17, T32N-R6W, GLACIER  
COUNTY, MONTANA, AT A  
LOCATION APPROXIMATELY  
2550' FNL AND 305' FWL OF SAID  
SECTION 17, AS AN EXCEPTION  
TO THE STATEWIDE RULE.

ORDER NO. 381-2004

Docket No. 459-2004 & 2-2005 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. At the time of hearing, applicant noted its request was for an exception to the statewide drilling and temporary spacing rule to drill an oil well rather than a gas well.
3. The applicant indicated that, in the event of a successful completion of the proposed well, an application for permanent spacing would be made within ninety (90) days of first production.
4. 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 K2 America Corp. is authorized to drill its Spring Creek Moulton #1 natural gas test well in Section 17, T32N-R6W, Glacier County, Montana, at a location approximately 2550' FNL and 305' FWL of said Section 17, as an exception to the statewide rule.

BOARD ORDER NO. 381-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
K2 AMERICA CORP. TO DRILL ITS  
NORTH FORK #7 NATURAL GAS  
TEST WELL IN SECTION 1,  
T37N-R13W, GLACIER COUNTY,  
MONTANA, AT A LOCATION  
APPROXIMATELY 735' FSL AND  
500' FEL OF SAID SECTION 1, AS AN  
EXCEPTION TO THE STATEWIDE RULE.

ORDER NO. 382-2004

Docket No. 460-2004 & 3-2005 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The applicant indicated that, in the event of a successful completion of the proposed well, an application for permanent spacing would be made within ninety (90) days of first production.
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 K2 America Corp. is authorized to drill its North Fork #7 natural gas test well in Section 1, T37N-R13W, Glacier County, Montana, at a location approximately 735' FSL and 500' FEL of said Section 1, as an exception to the statewide rule.

BOARD ORDER NO. 382-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BILL BARRETT CORPORATION TO  
DELINEATE THE W½ OF SECTION 24,  
T29N-R58E, ROOSEVELT COUNTY,  
MONTANA, AS A FIELD AND  
PERMANENT SPACING UNIT FOR  
PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM  
THE RATCLIFFE FORMATION AND  
TO DESIGNATE APPLICANT'S  
TININENKO #24-24H WELL AS THE  
ONLY AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 383-2004

Docket No. 461-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the W½ of Section 24, T29N-R58E, Roosevelt County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation

IT IS FURTHER ORDERED that applicant's Tininenko #24-24H well is designated the authorized well for said spacing unit.

BOARD ORDER NO. 383-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BILL BARRETT CORPORATION TO  
DELINEATE THE E½ OF SECTION 16,  
T29N-R59E, ROOSEVELT COUNTY,  
MONTANA, AS A FIELD AND  
PERMANENT SPACING UNIT FOR  
PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM  
THE RATCLIFFE FORMATION AND  
TO DESIGNATE APPLICANT'S  
STATE #31-16H WELL AS THE ONLY  
AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 384-2004

Docket No. 462-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½ of Section 16, T29N-R59E, Roosevelt County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation

IT IS FURTHER ORDERED that applicant's State #31-16H well is designated the authorized well for said spacing unit.

BOARD ORDER NO. 384-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BILL BARRETT CORPORATION TO  
DELINEATE THE W½ OF SECTION 16,  
T29N-R59E, ROOSEVELT COUNTY,  
MONTANA, AS A FIELD AND  
PERMANENT SPACING UNIT FOR  
PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM  
THE RATCLIFFE FORMATION AND  
TO DESIGNATE APPLICANT'S  
STATE #14-16H WELL AS THE ONLY  
AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 385-2004

Docket No. 463-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the W½ of Section 16, T29N-R59E, Roosevelt County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation

IT IS FURTHER ORDERED that applicant's State #14-16H well is designated the authorized well for said spacing unit.

BOARD ORDER NO. 385-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BILL BARRETT CORPORATION TO  
DESIGNATE THE N½ AND SW¼ OF  
SECTION 33, T30N-R58E,  
ROOSEVELT COUNTY, MONTANA,  
AS A PERMANENT SPACING UNIT  
FOR PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM  
THE RATCLIFFE FORMATION AND  
TO DESIGNATE APPLICANT'S  
PICARD #11-33H WELL AS THE  
ONLY AUTHORIZED WELL FOR  
SAID SPACING UNIT.

ORDER NO. 386-2004

Docket No. 464-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the N½ and SW¼ of Section 33, T30N-R58E, Roosevelt County, Montana, are designated as a field and permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation

IT IS FURTHER ORDERED that applicant's Picard #11-33H well is designated the authorized well for said spacing unit.

BOARD ORDER NO. 386-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
LYCO ENERGY CORPORATION TO  
DELINEATE ALL OF SECTION 26,  
T26N-R51E, 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  
BOULDER-STONE #26-16-H WELL AS  
THE ONLY AUTHORIZED WELL  
FOR SAID SPACING UNIT.

ORDER NO. 387-2004

Docket No. 166-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 26, T26N-R51E, Richland County, Montana, is designated as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Boulder-Stone #26-16-H well is designated the authorized well for said spacing unit.

BOARD ORDER NO. 387-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
KLABZUBA OIL & GAS, INC. TO  
DESIGNATE ALL OF SECTION 20,  
T37N-R15E, HILL COUNTY,  
MONTANA, AS A PERMANENT  
SPACING UNIT FOR THE  
PRODUCTION OF GAS FROM  
THE NIOBRARA FORMATION.

ORDER NO. 388-2004

Docket No. 356-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Section 20, T37N-R15E, Hill County, Montana, is designated as a permanent spacing unit for the production of gas from the Niobrara Formation from the Signal Butte-Federal #20-10-37-15B well.

BOARD ORDER NO. 388-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE  
A TEMPORARY SPACING UNIT FOR  
THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
17 AND 20, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE  
DRILLED ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF. APPLICANT  
STATES SAID SPACING UNIT WILL  
AUTOMATICALLY TERMINATE  
IF DRILLING OPERATIONS ON  
THE INITIAL HORIZONTAL BAKKEN  
WELL ARE NOT COMMENCED ON  
OR BEFORE DECEMBER 1, 2005.

ORDER NO. 389-2004

Docket No. 368-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 17 and 20, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

BOARD ORDER NO. 389-2004

IT IS FURTHER ORDERED that a dual-lateral horizontal well can be drilled anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

IT IS FURTHER ORDERED that the spacing unit will automatically terminate if drilling operations on the initial horizontal Bakken Formation well are not commenced on or before December 1, 2005.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE A  
TEMPORARY SPACING UNIT FOR  
THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
26 AND 35, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE DRILLED  
ANYWHERE WITHIN SAID SPACING  
UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES  
THEREOF. APPLICANT  
STATES SAID SPACING UNIT  
WILL AUTOMATICALLY  
TERMINATE IF DRILLING  
OPERATIONS ON THE  
INITIAL HORIZONTAL BAKKEN  
WELL ARE NOT COMMENCED  
ON OR BEFORE OCTOBER 1, 2005.

ORDER NO. 390-2004

Docket No. 371-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 26 and 35, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

BOARD ORDER NO. 390-2004

IT IS FURTHER ORDERED that a dual-lateral horizontal well can be drilled anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

IT IS FURTHER ORDERED that the spacing unit will automatically terminate if drilling operations on the initial horizontal Bakken Formation well are not commenced on or before October 1, 2005.

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 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE  
A TEMPORARY SPACING UNIT  
FOR THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
27 AND 34, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE DRILLED  
ANYWHERE WITHIN SAID SPACING  
UNIT BUT NOT CLOSER THAN  
660 FEET TO THE BOUNDARIES  
THEREOF. APPLICANT STATES  
SAID SPACING UNIT WILL  
AUTOMATICALLY TERMINATE  
IF DRILLING OPERATIONS ON  
THE INITIAL HORIZONTAL  
BAKKEN WELL ARE NOT  
COMMENCED ON OR BEFORE  
OCTOBER 1, 2005.

ORDER NO. 391-2004

Docket No. 372-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 27 and 34, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

BOARD ORDER NO. 391-2004

IT IS FURTHER ORDERED that a dual-lateral horizontal well can be drilled anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

IT IS FURTHER ORDERED that the spacing unit will automatically terminate if drilling operations on the initial horizontal Bakken Formation well are not commenced on or before October 1, 2005.

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 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE  
A TEMPORARY SPACING UNIT  
FOR THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
28 AND 33, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE  
DRILLED ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 392-2004

Docket No. 373-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 28 and 33, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant may drill a dual-lateral horizontal well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 392-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE  
A TEMPORARY SPACING UNIT  
FOR THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
29 AND 32, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE  
DRILLED ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT  
CLOSER THAN 660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 393-2004

Docket No. 374-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 29 and 32, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant may drill a dual-lateral horizontal well anywhere within said spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 393-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
BURLINGTON RESOURCES OIL &  
GAS COMPANY, L.P. TO CREATE  
A TEMPORARY SPACING UNIT  
FOR THE BAKKEN FORMATION  
CONSISTING OF ALL OF SECTIONS  
30 AND 31, T25N-R52E, RICHLAND  
COUNTY, MONTANA, AND TO  
ALLOW A DUAL-LATERAL  
HORIZONTAL WELL TO BE  
DRILLED ANYWHERE  
WITHIN SAID SPACING UNIT  
BUT NOT CLOSER THAN  
660 FEET TO THE  
BOUNDARIES THEREOF.

ORDER NO. 394-2004

Docket No. 375-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 30 and 31, T25N-R52E, Richland County, Montana, are designated as a temporary spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant may drill a dual-lateral horizontal well anywhere within the spacing unit but not closer than 660 feet to the boundaries thereof.

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. 394-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary

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

UPON THE APPLICATION OF  
ENCORE OPERATING, L.P. FOR PERMISSION  
TO CONVERT ITS LARSON "A" 24-08 WELL  
IN THE GLENDIVE FIELD IN SECTION 8,  
T14N-R55E, DAWSON COUNTY, MONTANA,  
TO AN INJECTOR INTO THE DAKOTA  
FORMATION TO DISPOSE OF EXISTING AND  
ANTICIPATED FUTURE INCREASED  
VOLUMES OF PRODUCED WATER FROM  
THE GLENDIVE FIELD.

ORDER NO. 395-2004

Docket No. 380-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Encore Operating, L.P. is authorized to convert its Larson "A" 24-08 well to an injector into the Dakota Formation to dispose of existing and anticipated future increased volumes of produced water from the Glendive Field, subject to stipulations in the Sundry Notice.

BOARD ORDER NO. 395-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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

\_\_\_\_\_  
Denzil Young, Vice-Chairman

\_\_\_\_\_  
Jerry Kennedy, Board Member

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

\_\_\_\_\_  
Allen Kolstad, Board Member

\_\_\_\_\_  
Elaine Mitchell, Board Member

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

ATTEST:

\_\_\_\_\_  
Terri H. Perrigo, Executive Secretary

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

UPON THE BOARD'S MOTION REQUIRING  
AZTEC GAS & OIL CORP. TO APPEAR AND  
SHOW CAUSE, IF ANY IT HAS, WHY ITS  
BOND SHOULD NOT BE FORFEITED FOR  
FAILURE TO PLUG THE EDITH SIPMA 6-1  
WELL LOCATED IN SECTION 6, T2N-R62E,  
FALLON COUNTY, MONTANA, AND THE  
TRONSTAD 10-1 WELL LOCATED IN  
SECTION 10, T3N-R61E, FALLON  
COUNTY, MONTANA.

ORDER NO. 396-2004

Docket No. 466-2004

Report of the Board

The above entitled cause came on regularly for hearing on the 9th day of December, 2004 in the conference room of the Billings Petroleum Club in the Billings Sheraton 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 to present evidence, oral and documentary.
2. No one appeared to respond to this matter and the Board is advised that Aztec Gas & Oil Corporation is no longer in existence.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the bond of Aztec Gas & Oil Corporation should be forfeited for failure to plug the wells described above.

BOARD ORDER NO. 396-2004

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 9th day of December, 2004.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

---

David Ballard, Chairman

---

Denzil Young, Vice-Chairman

---

Jerry Kennedy, Board Member

---

Jack King, Board Member

---

Allen Kolstad, Board Member

---

Elaine Mitchell, Board Member

---

Gary Willis, Board Member

ATTEST:

---

Terri H. Perrigo, Executive Secretary