

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

UPON THE APPLICATION OF
HEADINGTON OIL, LIMITED PARTNERSHIP
TO DESIGNATE A PERMANENT SPACING
UNIT COMPRISED OF ALL OF SECTION 35,
T26N-R53E, RICHLAND COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN FORMATION.

ORDER NO. 328-2006

Docket No. 379-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 of Section 35, T26N-R53E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 328-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 32 AND
33, T26N-R52E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 329-2006

Docket No. 380-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 all of Sections 32 and 33, T26N-R52E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 329-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½
(ALL) OF SECTION 1 AND ALL OF SECTION
12, T22N-R58E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION.

ORDER NO. 330-2006

Docket No. 381-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
2. The 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 Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 1 and all of Section 12, T22N-R58E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 330-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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, S½N½,
S½ (ALL) OF SECTION 5 AND ALL OF
SECTION 8, 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. 331-2006

Docket No. 382-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 5 and all of Section 8, T22N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties from non-participating working interest owners is hereby authorized in accordance with Section 82-11-202(2), M.C.A.

BOARD ORDER NO. 331-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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, S½N½,
S½ (ALL) OF SECTION 2 AND ALL OF
SECTION 11, T25N-R53E RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN FORMATION AND TO AUTHORIZE
RECOVERY OF NON-CONSENT PENALTIES
IN ACCORDANCE WITH SECTION
82-11-202(2), M.C.A. WITH RESPECT TO THE
CHILDERS #34X-2 WELL.

ORDER NO. 332-2006

Docket No. 383-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 2 and all of Section 11, T25N-R53E, Richland County, Montana, are hereby pooled on the basis of surface acreage for the production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202 (2) , M.C.A. with respect to the Childers #34X-2 well is hereby authorized.

BOARD ORDER NO. 332-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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, S½N½,
S½ (ALL) OF SECTION 2 AND ALL OF
SECTION 11, T22N-R58E 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. 333-2006

Docket No. 384-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 2 and all of Section 11, T22N-R58E, Richland County, Montana, are hereby pooled on the basis of surface acreage for the production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties against non-participating working interest owners in accordance with Section 82-11-202(2), M.C.A. is hereby authorized.

BOARD ORDER NO. 333-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
CHAPARRAL ENERGY, L.L.C. TO CREATE
A PERMANENT SPACING UNIT COMPRISED
OF LOTS 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (ALL) OF
SECTION 30, T25N-R56E, RICHLAND
COUNTY, MONTANA, FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM THE BAKKEN FORMATION.

ORDER NO. 334-2006

Docket No. 390-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) of Section 30, T25N-R56E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 334-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
CHAPARRAL ENERGY, L.L.C. TO CREATE
A PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$,
E $\frac{1}{2}$ (ALL) OF SECTION 18, T25N-R56E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE BAKKEN
FORMATION.

ORDER NO. 335-2006

Docket No. 391-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) of Section 18, T25N-R56E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 335-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
SINCLAIR OIL CORPORATION TO CREATE
A TEMPORARY SPACING UNIT COMPRISED
OF ALL OF SECTIONS 23 AND 26, T27N-R53E,
RICHLAND COUNTY, MONTANA, AND TO
AUTHORIZE THE DRILLING OF A
HORIZONTAL BAKKEN FORMATION WELL
THEREON AT ANY LOCATION NOT CLOSER
THAN 660 FEET TO THE BOUNDARIES OF
SAID TEMPORARY SPACING UNIT.

ORDER NO. 336-2006

Docket No. 393-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Sinclair Oil Corporation is granted as applied for.

BOARD ORDER NO. 336-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ORION ENERGY PARTNERS LLC TO
CREATE A PERMANENT SPACING
UNIT COMPRISED OF THE E½ OF
SECTION 29, T26N-R59E, RICHLAND
COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM
THE RATCLIFFE FORMATION.

ORDER NO. 337-2006

Docket No. 394-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 29, T26N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

BOARD ORDER NO. 337-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA)
CORPORATION TO CREATE A
PERMANENT SPACING UNIT
COMPRISED OF LOTS 1, 2, 3, 4
(ALL) OF SECTION 5 AND ALL
OF SECTION 8, T24N-R57E,
RICHLAND COUNTY, MONTANA,
FOR PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM
THE BAKKEN FORMATION.

ORDER NO. 338-2006

Docket No. 395-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Lots 1, 2, 3, and 4 (all) of Section 5 and all of Section 8, T24N-R57E, Richland County, Montana, are designated a permanent spacing for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 338-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA)
CORPORATION TO DRILL AN
ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN
THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION
11, T24N-R54E, RICHLAND
COUNTY, MONTANA, ANYWHERE
WITHIN SAID SPACING UNIT BUT
NOT CLOSER THAN 660 FEET TO
THE BOUNDARIES THEREOF.

ORDER NO. 339-2006

Docket No. 396-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 339-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
PERMANENT SPACING UNIT COMPRISED OF
ALL OF SECTION 15, T24N-R55E, RICHLAND
COUNTY, MONTANA, ANYWHERE WITHIN
SAID SPACING UNIT BUT NOT CLOSER
THAN 660 FEET TO THE BOUNDARIES
THEREOF.

ORDER NO. 340-2006

Docket No. 397-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 340-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
PERMANENT SPACING UNIT COMPRISED OF
ALL OF SECTION 14, T24N-R55E, RICHLAND
COUNTY, MONTANA, ANYWHERE WITHIN
SAID SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 341-2006

Docket No. 398-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 341-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
PERMANENT SPACING UNIT COMPRISED OF
ALL OF SECTIONS 20 AND 29, T23N-R58E,
RICHLAND COUNTY, MONTANA, ANYWHERE
WITHIN SAID SPACING UNIT BUT NOT
CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 342-2006

Docket No. 399-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 342-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
PERMANENT SPACING UNIT COMPRISED OF
LOTS 1, 2, 3, 4 (ALL) OF SECTION 5 AND ALL
OF SECTION 8, T24N-R57E, RICHLAND COUNTY,
MONTANA, ANYWHERE WITHIN SAID SPACING
UNIT BUT NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

ORDER NO. 343-2006

Docket No. 400-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 343-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO DRILL AN ADDITIONAL HORIZONTAL
BAKKEN FORMATION WELL IN THE
TEMPORARY SPACING UNIT COMPRISED OF
LOTS 1, 2, 3, 4 (ALL) OF SECTION 4 AND ALL
OF SECTION 9, T24N-R57E, RICHLAND
COUNTY, MONTANA, ANYWHERE WITHIN
SAID SPACING UNIT BUT NOT CLOSER THAN
660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 344-2006

Docket No. 401-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 344-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
ENERPLUS RESOURCES (USA) CORPORATION
TO AUTHORIZE THE STOCKADE – SIGVALD
#32-2-H WELL LOCATED IN THE PERMANENT
SPACING UNIT COMPRISED OF ALL OF
SECTION 32, T25N-R54E, RICHLAND COUNTY,
MONTANA, TO BE PRODUCED AS AN
EXCEPTION TO THE 660-FOOT SETBACK
REQUIREMENT SET FORTH IN BOARD ORDER
293-2005 AT A LOCATION 549' FNL AND
2460' FEL OF SAID SECTION 32.

ORDER NO. 345-2006

Docket No. 402-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Enerplus Resources (USA) Corporation is granted as applied for.

BOARD ORDER NO. 345-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ALL OF SECTIONS 23 AND
26, T26N-R55E, RICHLAND COUNTY,
MONTANA, AS A 1280-ACRE
TEMPORARY SPACING UNIT FOR THE
BAKKEN FORMATION TO DRILL A
DUAL LATERAL HORIZONTAL TEST
WELL WITH LATERALS TO BE
LOCATED NO CLOSER THAN 660 FEET
TO THE EXTERIOR BOUNDARIES OF
SAID TEMPORARY SPACING UNIT AS
AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 346-2006

Docket No. 403-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

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. 346-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ALL OF SECTIONS 22 AND
27, T26N-R55E, RICHLAND COUNTY,
MONTANA, AS A 1280-ACRE
TEMPORARY SPACING UNIT FOR THE
BAKKEN FORMATION TO DRILL A
DUAL LATERAL HORIZONTAL TEST
WELL WITH LATERALS TO BE
LOCATED NO CLOSER THAN 660 FEET
TO THE EXTERIOR BOUNDARIES OF
SAID TEMPORARY SPACING UNIT AS
AN EXCEPTION TO A.R.M. 36.22.703.

ORDER NO. 347-2006

Docket No. 404-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 347-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ALL OF SECTION 16,
T25N-R55E, RICHLAND COUNTY,
MONTANA, AS A PERMANENT SPACING
UNIT FOR THE BAKKEN FORMATION
AND TO DESIGNATE APPLICANT'S
TIMBER CREEK #1-16H WELL AS THE
AUTHORIZED WELL FOR SAID
SPACING UNIT.

ORDER NO. 348-2006

Docket No. 408-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 16, T25N-R55E, Richland County, Montana, is designated a permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Timber Creek #1-16H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 348-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 CERTIFY
THE PENNZOIL 1-16H WELL
(API # 25-083-21634) IN SECTION 16,
T23N-R57E, RICHLAND COUNTY, MONTANA,
WHICH WAS RE-COMPLETED AS A
HORIZONTAL BAKKEN FORMATION
PRODUCER ON JANUARY 22, 2006, AS
ELIGIBLE FOR THE SEVERANCE TAX
REDUCTION AVAILABLE TO OIL WELL
HORIZONTAL RE-ENTRIES THROUGH THE
MONTANA DEPARTMENT OF REVENUE.

ORDER NO. 349-2006

Docket No. 409-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Bill Barrett Corporation is granted as applied for.

BOARD ORDER NO. 349-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
CONVERT THE SHUT-IN CRUSCH
A-1 WELL (API # 25-085-21353) IN
SECTION 2, T29N-R58E, TARGET
FIELD, ROOSEVELT COUNTY,
MONTANA, TO A DAKOTA
FORMATION DISPOSAL WELL TO
DISPOSE OF PRODUCED RATCLIFFE
AND MISSION CANYON FORMATION
WATER FROM THE TARGET AND
SHOTGUN CREEK FIELDS.

ORDER NO. 350-2006

Docket No. 410-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Bill Barrett Corporation is granted as applied for, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 350-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK #11-10CCH WELL
(API # 25-025-21443), WHICH IS
CURRENTLY A HORIZONTAL RED RIVER
FORMATION PRODUCER AND LOCATED
IN PENNEL FIELD IN SECTION 10,
T6N-R60E, FALLON COUNTY, MONTANA,
TO A HORIZONTAL WATER INJECTION
WELL TO INJECT PRODUCED FLUIDS INTO
THE RED RIVER FORMATION.

ORDER NO. 351-2006

Docket No. 411-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 351-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE SHUT-IN NORTH PINE 24-19C WELL
(API # 25-021-05002) LOCATED IN
SECTION 19, T13N-R56E, PINE FIELD,
DAWSON COUNTY, MONTANA, TO A
SALT WATER DISPOSAL WELL TO INJECT
WATER FROM APPLICANT'S NORTH PINE
UNIT OPERATIONS INTO THE RATCLIFFE
AND MISSION CANYON FORMATIONS.

ORDER NO. 352-2006

Docket No. 412-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 352-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK #14-33CCH WELL
(API # 25-025-21927) LOCATED IN
SECTION 33, T7N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A HORIZONTAL PRODUCER TO A
HORIZONTAL INJECTION WELL TO
INJECT WATER INTO THE RED RIVER
FORMATION.

ORDER NO. 353-2006

Docket No. 413-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 353-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK #22-09 WELL
(API # 25-025-05148) LOCATED IN
SECTION 9, T6N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A HORIZONTAL PRODUCER TO A
HORIZONTAL INJECTION WELL TO
INJECT WATER INTO THE RED RIVER
FORMATION.

ORDER NO. 354-2006

Docket No. 414-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 354-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK # 24-34CCH WELL
(API # 25-025-05167) LOCATED IN
SECTION 34, T7N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A HORIZONTAL PRODUCER TO A
HORIZONTAL INJECTION WELL TO INJECT
WATER INTO THE RED RIVER FORMATION.

ORDER NO. 355-2006

Docket No. 415-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 355-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK # 33-04CCH WELL
(API # 25-025-21900) LOCATED IN
SECTION 4, T6N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A HORIZONTAL PRODUCER TO A
HORIZONTAL WATER INJECTOR TO
INJECT WATER INTO THE RED RIVER
FORMATION.

ORDER NO. 356-2006

Docket No. 416-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice

BOARD ORDER NO. 356-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK # 22-03 WELL
(API # 25-025-05158) LOCATED IN
SECTION 3, T6N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A PRODUCING WELL TO AN
INJECTION WELL TO INJECT WATER
INTO THE RED RIVER FORMATION.

ORDER NO. 357-2006

Docket No. 417-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 357-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
THE CORAL CREEK # 41-33CCH WELL
(API # 25-025-21929) LOCATED IN
SECTION 33, T7N-R60E, LOOKOUT BUTTE
FIELD, FALLON COUNTY, MONTANA,
FROM A HORIZONTAL PRODUCER TO A
HORIZONTAL INJECTION WELL TO
INJECT WATER INTO THE RED RIVER
FORMATION.

ORDER NO. 358-2006

Docket No. 418-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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, subject to stipulations on the Sundry Notice.

BOARD ORDER NO. 358-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
STONE ENERGY CORPORATION TO
DESIGNATE SECTION 31, T22N-R60E,
RICHLAND COUNTY, MONTANA, AS
A PERMANENT SPACING UNIT FOR
PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM
THE BAKKEN FORMATION.

ORDER NO. 359-2006

Docket No. 420-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 31, T22N-R60E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

BOARD ORDER NO. 359-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
STONE ENERGY CORPORATION TO
DRILL A SIDETRACK LATERAL OUT
OF ITS HEDEGAARD #2-27H WELL
LOCATED IN THE PERMANENT
SPACING UNIT COMPRISED OF
SECTION 27, T23N-R58E, RICHLAND
COUNTY, MONTANA, AS AN
EXCEPTION TO BOARD ORDER
215-2006 WHICH REQUIRED A
660-FOOT SETBACK FROM SPACING
UNIT BOUNDARIES.

ORDER NO. 360-2006

Docket No. 421-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Stone Energy Corporation is granted as applied for.

BOARD ORDER NO. 360-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 N½ OF SECTION
5, T33N-R14E AND THE S½ OF
SECTION 32, T34N-R14E, HILL
COUNTY, MONTANA, AS A
TEMPORARY SPACING UNIT TO
DRILL A GAS WELL (THE HIGGINS-
FEDERAL #5-5-33-14B) TO TEST
PROSPECTIVE ZONES AND
FORMATIONS FROM THE SURFACE
TO THE BASE OF THE SECOND
WHITE SPECKS FORMATION AT A
PROPOSED LOCATION 1650' FNL
AND 990' FWL OF SAID SECTION 5,
WITH A 200-FOOT TOLERANCE TO
THE NORTH AND/OR EAST FOR
TOPOGRAPHIC REASONS AS AN
EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 361-2006

Docket No. 422-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Klabzuba Oil & Gas, Inc. is granted as applied for.

BOARD ORDER NO. 361-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
J. BURNS BROWN OPERATING COMPANY
TO DELINEATE THE W½ OF SECTION 2
AND THE E½ OF SECTION 3, T34N-R15E,
HILL COUNTY, MONTANA, AS A
PERMANENT SPACING UNIT FOR THE
EAGLE FORMATION, AND TO DESIGNATE
APPLICANT'S VERPLOEGEN #2-34-15 WELL
AS THE AUTHORIZED WELL FOR SAID
SPACING UNIT.

ORDER NO. 362-2006

Docket No. 424-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 2 and the E½ of Section 3, T34N-R15E, Hill County, Montana, is designated a permanent spacing unit for the Eagle Formation.

IT IS FURTHER ORDERED that applicant's Verploegen #2-34-15 well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 362-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
J. BURNS BROWN OPERATING COMPANY
TO POOL ALL INTERESTS IN THE
PERMANENT SPACING UNIT COMPRISED
OF THE W $\frac{1}{2}$ OF SECTION 2 AND THE E $\frac{1}{2}$
OF SECTION 3, T34N-R15E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF
NATURAL GAS FROM THE EAGLE
FORMATION.

ORDER NO. 363-2006

Docket No. 425-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 permanent spacing unit comprised of the W $\frac{1}{2}$ of Section 2 and the E $\frac{1}{2}$ of Section 3, T34N-R15E, Hill County, Montana, are hereby pooled on the basis of surface acreage for the production of natural gas from the Eagle Formation.

BOARD ORDER NO. 363-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
J. BURNS BROWN OPERATING COMPANY
TO POOL ALL INTERESTS IN THE
PERMANENT SPACING UNIT COMPRISED
OF SECTION 8, T32N-R15E, HILL COUNTY,
MONTANA, FOR PRODUCTION OF
NATURAL GAS FROM THE EAGLE
FORMATION AND TO IMPOSE NON-JOINDER
PENALTIES AS AUTHORIZED IN SECTION
82-11-202(2), M.C.A.

ORDER NO. 364-2006

Docket No. 427-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 permanent spacing unit comprised of Section 8, T32N-R15E, Hill County, Montana, are hereby pooled on the basis of surface acreage for production of natural gas from the Eagle Formation.

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

BOARD ORDER NO. 364-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
DRILL A HORIZONTAL RATCLIFFE
FORMATION TEST WELL BY
RE-ENTERING THE WIX 5-2 WELL IN A
TEMPORARY SPACING UNIT COMPRISED
OF THE W $\frac{1}{2}$ OF SECTION 2 AND THE NE $\frac{1}{4}$
OF SECTION 3, T27N-R57E, ROOSEVELT
COUNTY, MONTANA, WITH SAID
LATERAL TO BE LOCATED ANYWHERE
WITHIN SAID TEMPORARY SPACING
UNIT BUT NOT CLOSER THAN 660 FEET
TO THE EXTERIOR BOUNDARIES
THEREOF, AND TO PROVIDE THAT SAID
480-ACRE TEMPORARY SPACING UNIT
OVERLAPS THE EXISTING 320-ACRE
PERMANENT SPACING UNIT CONSISTING
OF THE NW $\frac{1}{4}$ OF SECTION 2 AND THE NE $\frac{1}{4}$
OF SECTION 3, T27N-R57E, WHICH IS
APPLICABLE TO RATCLIFFE PRODUCTION
FOR THE PERFORATIONS IN THE WIX
5-2 VERTICAL WELLBORE, AND THAT
SAID 320-ACRE PERMANENT SPACING
UNIT SHALL REMAIN IN EFFECT.

ORDER NO. 365-2006

Docket No. 430-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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.

BOARD ORDER NO. 365-2006

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the W½ of Section 2 and the NE¼ of Section 3, T27N-R57E, Roosevelt County, Montana, is designated a 480-acre temporary spacing unit to drill a horizontal Ratcliffe Formation test well by re-entering the Wix 5-2 well, with said lateral to be located anywhere within said temporary spacing unit but not closer than 660 feet to the exterior boundary thereof.

IT IS FURTHER ORDERED that the existing 320-acre permanent spacing unit for the vertical wellbore to the Ratcliffe Formation in the Wix 5-2 well will remain in effect.

IT IS FURTHER ORDERED that the applicant will not commingle or produce the vertical perforations in the Wix 5-2 well until they return to the Board.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
VACATE BOARD ORDER 122-1997 AND
AUTHORIZE THE DRILLING OF A
RATCLIFFE FORMATION HORIZONTAL
TEST WELL BY RE-ENTERING THE
NELSON RANCH #1-6 WELL IN A
640-ACRE TEMPORARY SPACING UNIT
COMPRISED OF ALL OF SECTION 6,
T27N-R59E, WITH SAID LATERAL TO BE
LOCATED NOT CLOSER THAN 660 FEET
TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER NO. 366-2006

Docket No. 431-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Board Order 122-1997, which established a 160-acre spacing unit for the Madison Formation in the Nelson Ranch 1-6 well, is hereby vacated.

IT IS FURTHER ORDERED that all of Section 6, T27N-R59E, Roosevelt County, Montana, is designated a temporary spacing unit.

IT IS FURTHER ORDERED that Nance Petroleum Corporation is authorized to drill a Ratcliffe Formation horizontal test well in the temporary spacing unit created by this Order, with said lateral to be located anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

BOARD ORDER NO. 366-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
VACATE BOARD ORDER 34-1970
INSOFAR AS IT COVERS THE W $\frac{1}{2}$ OF
SECTION 4, T23N-R59E, RICHLAND
COUNTY, MONTANA, AND TO DELINEATE
THE W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ OF SAID SECTION 4
AS A 320-ACRE PERMANENT SPACING
UNIT FOR THE RED RIVER FORMATION,
AND TO DESIGNATE APPLICANT'S CANAL
#6-4 WELL AS THE AUTHORIZED WELL FOR
SAID SPACING UNIT AND TO PROVIDE THAT
SAID PERMANENT SPACING UNIT IS ONLY
APPLICABLE TO RED RIVER PRODUCTION
FROM THE CANAL #6-4 WELL.

ORDER NO. 367-2006

Docket No. 432-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Mr. Garey Candee of Fairview, MT a mineral owner in the NWNW of Section 4, T23N-R59E, Richland County, Montana, appeared in person to protest the proposed spacing.
3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Board Order 34-1970, insofar as it covers the W $\frac{1}{2}$ of Section 4, T23N-R59E, Richland County, Montana, is hereby vacated.

IT IS FURTHER ORDERED that the W $\frac{1}{2}$ E $\frac{1}{2}$ and the E $\frac{1}{2}$ W $\frac{1}{2}$ of said Section 4 is designated a permanent spacing unit for the Red River Formation.

BOARD ORDER NO. 367-2006

IT IS FURTHER ORDERED that applicant's Canal #6-4 well is the authorized well for said spacing unit, and that said permanent spacing unit is only applicable to Red River production from the Canal #6-4 well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 S½ OF SECTION 8,
T23N-R58E, RICHLAND COUNTY,
MONTANA, AS A PERMANENT SPACING
UNIT FOR THE BAKKEN FORMATION
AND TO DESIGNATE APPLICANT'S
SUNWALL 12-8H WELL AS THE
AUTHORIZED WELL FOR SAID
SPACING UNIT.

ORDER NO. 368-2006

Docket No. 434-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 8, T23N-R58E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Sunwall 12-8H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 368-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DESIGNATE THE SE¹/₄ OF SECTION
32 AND THE SW¹/₄ OF SECTION 33,
T27N-R17E AND THE NE¹/₄ OF SECTION 5
AND THE NW¹/₄ OF SECTION 4, T26N-R17E,
CHOUTEAU COUNTY, MONTANA, AS A
TEMPORARY SPACING UNIT FOR
PURPOSES OF DRILLING A GAS WELL
(THE OLSON # 33-13-27-17) AT AN
APPROXIMATE LOCATION 70' FSL AND
30' FWL OF SAID SECTION 33, AS AN
EXCEPTION TO A.R.M. 36.22.702 AND
BOARD ORDER 26-74.

ORDER NO. 369-2006

Docket No. 435-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Devon Energy Production Company, L.P. is granted as applied for.

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

BOARD ORDER NO. 369-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DESIGNATE THE NE¼ OF SECTION
35, T25N-R18E, BLAINE COUNTY,
MONTANA, AS A PERMANENT SPACING
UNIT FOR PRODUCTION OF GAS FROM
THE EAGLE FORMATION THROUGH THE
WELLBORE OF THE CASE #35-02-25-18 WELL.

ORDER NO. 370-2006

Docket No. 437-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 NE¼ of Section 35, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Case #35-02-25-18 well.

BOARD ORDER NO. 370-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION
COMPANY, L.P. TO DESIGNATE
THE SE¼ OF SECTION 35,
T25N-R18E, BLAINE COUNTY,
MONTANA, AS A PERMANENT
SPACING UNIT FOR PRODUCTION
OF GAS FROM THE EAGLE
FORMATION THROUGH THE
WELLBORE OF THE CASE
#35-10-25-18 WELL.

ORDER NO. 371-2006

Docket No. 438-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 SE¼ of Section 35, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the Case #35-10-25-18 well.

BOARD ORDER NO. 371-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DESIGNATE THE E½ OF SECTION 16
AND THE W½ OF SECTION 15, T25N-R18E,
BLAINE COUNTY, MONTANA, AS A
PERMANENT SPACING UNIT FOR
PRODUCTION OF GAS FROM THE EAGLE
FORMATION THROUGH THE WELLBORE
OF THE STATE DIR #16-09-25-18 WELL.

ORDER NO. 372-2006

Docket No. 439-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 16 and the W½ of Section 15, T25N-R18E, Blaine County, Montana, are designated a permanent spacing unit for production of Eagle Formation gas through the wellbore of the State DIR #16-09-25-18 well.

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

BOARD ORDER NO. 372-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DRILL AN ADDITIONAL EAGLE
FORMATION GAS WELL ANYWHERE
WITHIN THE SW¹/₄ OF SECTION 33,
T25N-R18E, BLAINE COUNTY, MONTANA,
BUT NOT CLOSER THAN 660 FEET TO THE
SECTION LINE AS AN EXCEPTION TO
BOARD ORDER 138-2005.

ORDER NO. 373-2006

Docket No. 440-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Devon Energy Production Company, L.P. is granted as applied for.

BOARD ORDER NO. 373-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DRILL AN ADDITIONAL EAGLE
FORMATION GAS WELL (THE WEAVER
DIR #28-06-27-16) IN THE PERMANENT
SPACING UNIT COMPRISED OF THE N½
OF SECTION 28, T27N-R16E, CHOUTEAU
COUNTY, MONTANA, WITH AN
APPROXIMATELY BOTTOM HOLE
LOCATION 1980' FNL AND 1565' FWL OF
SAID SECTION 28 AS AN EXCEPTION TO
BOARD ORDER 26-74. (BULLWACKER FIELD)
APPLICANT FURTHER REQUESTS THAT
BOARD ORDER 191-2001 BE VACATED.

ORDER NO. 374-2006

Docket No. 441-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Devon Energy Production Company, L.P. is granted as applied for.

BOARD ORDER NO. 374-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DRILL AN ADDITIONAL EAGLE
FORMATION GAS WELL (THE WEAVER
DIR #28-7A-27-16) IN THE PERMANENT
SPACING UNIT COMPRISED OF THE N½
OF SECTION 28, T27N-R16E, CHOUTEAU
COUNTY, MONTANA, AT AN APPROXIMATE
LOCATION 1970' FNL AND 1642' FEL OF
SAID SECTION 28, AS AN EXCEPTION TO
BOARD ORDER 26-74.
(BULLWACKER FIELD)

ORDER NO. 375-2006

Docket No. 442-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Devon Energy Production Company, L.P. is granted as applied for.

BOARD ORDER NO. 375-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 ENERGY PRODUCTION COMPANY,
L.P. TO DRILL AN ADDITIONAL GAS WELL
(THE US DIR #7-1A-27-19) IN THE
PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 7, T27N-R19E, BLAINE
COUNTY, MONTANA, SAID WELL TO BE
DRILLED DIRECTIONALLY IN THE NE¼ OF
SAID SECTION 7, WITH AN APPROXIMATE
BOTTOM HOLE LOCATION NOT CLOSER
THAN 600 FEET TO THE SECTION LINES AS
AN EXCEPTION TO BOARD ORDERS 45-76
AND 65-85. (SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 376-2006

Docket No. 444-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Prior to the hearing, applicant provided a specific bottom hole target of 1200' FNL and 755' FEL of Section 7 and requested a 50-foot tolerance from the designated target.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as modified.

BOARD ORDER NO. 376-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
DL ENERGY, L.L.C. TO CREATE A
TEMPORARY SPACING UNIT
COMPRISED OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$ OF
SECTION 23, T31N-R34E, VALLEY
COUNTY, MONTANA, FOR ALL
FORMATIONS FROM THE SURFACE
OF THE EARTH TO THE BASE OF
THE BELLE FOURCHE FORMATION
TO DRILL A GAS WELL AT A
LOCATION 660' FEL AND 760' FSL
OF SAID SECTION 23, WITH A
100-FOOT TOPOGRAPHIC
TOLERANCE.

ORDER NO. 377-2006

Docket No. 446-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 DL Energy, L.L.C. is granted as applied for.

BOARD ORDER NO. 377-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PETRO-HUNT, LLC TO CREATE A
TEMPORARY SPACING UNIT
COMPRISED OF THE SW¹/₄NW¹/₄
AND NW¹/₄SW¹/₄ OF SECTION 12,
T29N-R48E AND THE SE¹/₄NE¹/₄
AND NE¹/₄SE¹/₄ OF SECTION 11,
T29N-R48E, ROOSEVELT COUNTY,
MONTANA, TO DRILL A NISKU
FORMATION TEST WELL AT A
LOCATION APPROXIMATELY
2375' FNL AND 300' FWL OF
SAID SECTION 12.

ORDER NO. 378-2006

Docket No. 447-2006 & 2-2007 FED

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Petro-Hunt, LLC is granted as applied for.

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

BOARD ORDER NO. 378-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. TO
DELINEATE SECTION 36, T9S-R42E, BIG HORN
COUNTY, MONTANA, AS A FIELD FOR
PRODUCTION OF COAL BED NATURAL GAS
FROM ALL COAL BED ZONES FROM THE
SURFACE TO THE BASE OF THE FORT UNION
FORMATION, TO ESTABLISH 80-ACRE
SPACING UNITS WITH 220-FOOT SETBACKS
WITH ONE WELL PER COAL BED PER SPACING
UNIT, AND TO AUTHORIZE THE COMMINGLING IN
THE WELLBORE OF GAS PRODUCED FROM DIFFERENT
COAL BEDS. APPLICANT NOTES THAT THE
ABOVE-DESCRIBED LANDS ARE SUBJECT TO BOARD
ORDER 99-99 AND THE RECORD OF DECISION
DATED MARCH 26, 2003. A SEPARATE APPLICATION
REQUESTING APPROVAL OF APPLICANT'S WADDLE CREEK
STATE PROJECT PLAN OF DEVELOPMENT FOR THE
ABOVE-DESCRIBED LANDS HAS BEEN FILED WITH THE BOARD.

ORDER NO. 379-2006

Docket No. 449-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that the lands included in this application be designated the Waddle Creek Field.

BOARD ORDER NO. 379-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. FOR AN
ORDER APPROVING ITS WADDLE CREEK
STATE PROJECT PLAN OF DEVELOPMENT
FOR COAL BED NATURAL GAS EXPLORATION
AND DEVELOPMENT ON ALL OF SECTION 36,
T9S-R42E, BIG HORN COUNTY, MONTANA.
APPLICANT PROPOSES TO DRILL AND DEVELOP SAID
SECTION 36 FOR COAL BED NATURAL GAS WITH WELL
DENSITIES GREATER THAN ONE WELL PER 640 ACRES.
THE LANDS INCLUDED IN THIS APPLICATION ARE
SUBJECT TO BOARD ORDER 99-99 AND THE RECORD
OF DECISION DATED MARCH 26, 2003. PRIOR TO HEARING,
APPLICANT WILL SUBMIT ITS WADDLE CREEK STATE
PROJECT PLAN OF DEVELOPMENT FOR THE ABOVE-DESCRIBED
LANDS TO BOARD STAFF.

ORDER NO. 380-2006

Docket No. 450-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Ms. Shanny Spang of the Northern Cheyenne Tribe appeared to enter a letter from the Tribe into the record. The letter expresses concern about the lack of cultural and archeological analysis in the Waddle Creek State Plan of Development.
3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment (EA) by the State of Montana Trust Lands Division, with assistance from the Board of Oil and Gas Conservation staff.

BOARD ORDER NO. 380-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. TO
DELINEATE SECTION 16, T9S-R43E, BIG HORN
COUNTY, MONTANA, AS A FIELD FOR PRODUCTION
OF COAL BED NATURAL GAS FROM ALL COAL BED
ZONES FROM THE SURFACE TO THE BASE OF THE
FORT UNION FORMATION, TO ESTABLISH 80-ACRE
SPACING UNITS WITH 220-FOOT SETBACKS WITH ONE
WELL PER COAL BED PER SPACING UNIT, AND TO
AUTHORIZE THE COMMINGLING IN THE WELLBORE
OF GAS PRODUCED FROM DIFFERENT COAL BEDS.
APPLICANT NOTES THAT THE ABOVE-DESCRIBED
LANDS ARE SUBJECT TO BOARD ORDER 99-99 AND THE
RECORD OF DECISION DATED MARCH 26, 2003. A
SEPARATE APPLICATION REQUESTING APPROVAL OF
APPLICANT'S HELLER'S PEAK STATE PROJECT PLAN OF
DEVELOPMENT FOR THE ABOVE-DESCRIBED LANDS
HAS BEEN FILED WITH THE BOARD.

ORDER NO. 381-2006

Docket No. 451-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that the lands contained within this application are hereby designated the Heller's Peak Field.

BOARD ORDER NO. 381-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. FOR AN
ORDER APPROVING ITS HELLER'S PEAK
STATE PROJECT PLAN OF DEVELOPMENT
FOR COAL BED NATURAL GAS EXPLORATION AND
DEVELOPMENT ON ALL OF SECTION 16, T9S-R43E, BIG HORN
COUNTY, MONTANA. APPLICANT PROPOSES TO DRILL
AND DEVELOP SAID SECTION 16 FOR COAL BED NATURAL
GAS WITH WELL DENSITIES GREATER THAN ONE WELL
PER 640 ACRES. THE LANDS INCLUDED IN THIS APPLICATION ARE
SUBJECT TO BOARD ORDER 99-99 AND THE RECORD OF
DECISION DATED MARCH 26, 2003. PRIOR TO HEARING,
APPLICANT WILL SUBMIT ITS HELLER'S PEAK STATE
PROJECT PLAN OF DEVELOPMENT FOR THE ABOVE-DESCRIBED
LANDS TO BOARD STAFF.

ORDER NO. 382-2006

Docket No. 452-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Ms. Shanny Spang of the Northern Cheyenne Tribe appeared to enter a letter from the Tribe into the record. The letter expresses concern about the lack of cultural and archeological analysis in the Heller's Peak State Plan of Development.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment (EA) by the State of Montana Trust Lands Division, with assistance from the Board of Oil and Gas Conservation staff.

BOARD ORDER NO. 382-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. TO
DELINEATE SECTION 36, T9S-R43E, BIG HORN
COUNTY, MONTANA, AS A FIELD FOR PRODUCTION
OF COAL BED NATURAL GAS FROM ALL COAL BED
ZONES FROM THE SURFACE TO THE BASE OF THE
FORT UNION FORMATION, TO ESTABLISH 80-ACRE
SPACING UNITS WITH 220-FOOT SETBACKS WITH ONE
WELL PER COAL BED PER SPACING UNIT, AND TO
AUTHORIZE THE COMMINGLING IN THE WELLBORE
OF GAS PRODUCED FROM DIFFERENT COAL BEDS.
APPLICANT NOTES THAT THE ABOVE-DESCRIBED
LANDS ARE SUBJECT TO BOARD ORDER 99-99 AND
THE RECORD OF DECISION DATED MARCH 26, 2003. A
SEPARATE APPLICATION REQUESTING APPROVAL OF
APPLICANT'S FORK'S RANCH STATE PROJECT PLAN
OF DEVELOPMENT FOR THE ABOVE-DESCRIBED LANDS HAS
BEEN FILED WITH THE BOARD.

ORDER NO. 383-2006

Docket No. 453-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that the lands contained in the application are designated as the Fork's Ranch Field.

BOARD ORDER NO. 383-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. FOR AN
ORDER APPROVING ITS FORK'S RANCH
STATE PROJECT PLAN OF DEVELOPMENT
FOR COAL BED NATURAL GAS EXPLORATION
AND DEVELOPMENT ON ALL OF SECTION 36,
T9S-R43E, BIG HORN COUNTY, MONTANA. APPLICANT
PROPOSES TO DRILL AND DEVELOP SAID SECTION 36
FOR COAL BED NATURAL GAS WITH WELL DENSITIES
GREATER THAN ONE WELL PER 640 ACRES. THE LANDS
INCLUDED IN THIS APPLICATION ARE SUBJECT TO BOARD
ORDER 99-99 AND THE RECORD OF DECISION DATED
MARCH 26, 2003. PRIOR TO HEARING, APPLICANT WILL
SUBMIT ITS FORK'S STATE PROJECT PLAN OF DEVELOPMENT
FOR THE ABOVE-DESCRIBED LANDS TO BOARD STAFF.

ORDER NO. 384-2006

Docket No. 454-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Ms. Shanny Spang of the Northern Cheyenne Tribe appeared to enter a letter from the Tribe into the record. The letter expresses concern about the lack of cultural and archeological analysis in the Fork's Ranch State Project Plan of Development.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment (EA) by the State of Montana Trust Lands Division, with assistance from the Board of Oil and Gas Conservation.

BOARD ORDER NO. 384-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. TO
DELINEATE THE FOLLOWING DESCRIBED
LANDS IN BIG HORN COUNTY, MONTANA, AS
A FIELD FOR PRODUCTION OF COAL BED NATURAL
GAS FROM ALL COAL BED ZONES FROM
THE SURFACE TO THE BASE OF THE
FORT UNION FORMATION, TO ESTABLISH 80-ACRE
SPACING UNITS WITH 220-FOOT SETBACKS WITH ONE
WELL PER COAL BED PER SPACING UNIT,
AND TO AUTHORIZE THE COMMINGLING
IN THE WELLBORE OF GAS PRODUCED
FROM DIFFERENT COAL BEDS.

ORDER NO. 385-2006

T9S-R42E

SECTION 19: E $\frac{1}{2}$ NE $\frac{1}{4}$

SECTION 20: N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

SECTION 21: N $\frac{1}{2}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

APPLICANT NOTES THAT THE
ABOVE-DESCRIBED LANDS ARE SUBJECT
TO BOARD ORDER 99-99 AND THE RECORD
OF DECISION DATED MARCH 26, 2003. A
SEPARATE APPLICATION REQUESTING
APPROVAL OF APPLICANT'S DEER CREEK
FEE PROJECT PLAN OF DEVELOPMENT FOR
THE ABOVE-DESCRIBED LANDS HAS BEEN
FILED WITH THE BOARD.

Docket No. 455-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. The requested name of Deer Creek is in use, so the name South Dietz will be used for the delineated area.
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.

BOARD ORDER NO. 385-2006

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that the lands contained within this application are hereby designated the South Dietz Field.

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 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. FOR AN
ORDER APPROVING ITS DEER CREEK FEE
PROJECT PLAN OF DEVELOPMENT FOR
COAL BED NATURAL GAS EXPLORATION
AND DEVELOPMENT FOR THE FOLLOWING
DESCRIBED LANDS IN BIG HORN COUNTY,
MONTANA.

ORDER NO. 386-2006

T9S-R42E

SECTION 19: NE $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 20: N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$,
SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 21: S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$,
NE $\frac{1}{4}$ SE $\frac{1}{4}$

APPLICANT PROPOSES TO DRILL AND
DEVELOP THE ABOVE-DESCRIBED LANDS
FOR COAL BED NATURAL GAS WITH WELL
DENSITIES GREATER THAN ONE WELL PER
640 ACRES. THE LANDS INCLUDED IN THIS
APPLICATION ARE SUBJECT TO BOARD
ORDER 99-99 AND THE RECORD OF DECISION
DATED MARCH 26, 2003. PRIOR TO HEARING,
APPLICANT WILL SUBMIT ITS DEER CREEK
FEE PROJECT PLAN OF DEVELOPMENT FOR
THE ABOVE-DESCRIBED LANDS TO BOARD
STAFF.

Docket No. 456-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Ms. Shanny Spang of the Northern Cheyenne Tribe appeared to enter a letter from the Tribe into the record. The letter expresses concern about the lack of cultural and archeological analysis in the Deer Creek Fee Project Plan of Development.
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.

BOARD ORDER NO. 386-2006

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTIONS 14 AND 23, T25N-R55E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED GAS
FROM THE BAKKEN FORMATION AND TO
DESIGNATE APPLICANT'S THELMA #1-23H
WELL AS THE AUTHORIZED WELL FOR SAID
SPACING UNIT.

ORDER NO. 387-2006

Docket No. 341-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 14 and 23, T25N-R55E, Richland County, Montana, are designated a permanent spacing unit for production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Thelma #1-23H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 387-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 DRILL
AN ADDITIONAL BAKKEN FORMATION
DUAL LATERAL HORIZONTAL WELL IN
THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 14
AND 23, T25N-R55E, RICHLAND COUNTY,
MONTANA, WITH SUCH LATERALS TO BE
LOCATED NO CLOSER THAN 660 FEET TO
THE EXTERIOR BOUNDARIES OF SAID
SPACING UNIT.

ORDER NO. 388-2006

Docket No. 342-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 388-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 18
AND 19, T24N-R53E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL
AND ASSOCIATED GAS FROM THE
BAKKEN FORMATION AND TO
DESIGNATE APPLICANT'S CANDEE
#1-18H WELL AS THE AUTHORIZED
WELL FOR SAID SPACING UNIT.

ORDER NO. 389-2006

Docket No. 343-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 18 and 19, T24N-R53E, Richland County, Montana, are designated a permanent spacing unit for the production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Candee #1-18H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 389-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 DRILL
AN ADDITIONAL BAKKEN FORMATION
DUAL LATERAL HORIZONTAL WELL IN
THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 18 AND 19,
T24N-R53E, RICHLAND COUNTY, MONTANA,
WITH SAID LATERALS TO BE LOCATED NO
CLOSER THAN 660 FEET TO THE EXTERIOR
BOUNDARIES OF SAID SPACING UNIT.

ORDER NO. 390-2006

Docket No. 344-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 390-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT COMPRISED OF
ALL OF SECTION 12, T25N-R54E AND ALL OF
SECTION 7, T25N-R55E, RICHLAND COUNTY,
MONTANA, FOR PRODUCTION OF OIL AND
ASSOCIATED GAS FROM THE BAKKEN
FORMATION AND TO DESIGNATE APPLICANT'S
ELM #1-12H WELL AS THE AUTHORIZED WELL
FOR SAID SPACING UNIT.

ORDER NO. 391-2006

Docket No. 345-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 12, T25N-R54E and all of Section 7, T25N-R55E, Richland County, Montana, are designated a permanent spacing unit for the production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Elm #1-12H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 391-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 DRILL
AN ADDITIONAL BAKKEN FORMATION
DUAL LATERAL HORIZONTAL WELL IN
THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTION 12,
T25N-R54E AND ALL OF SECTION 7,
T25N-R55E, RICHLAND COUNTY, MONTANA,
WITH SUCH LATERALS TO BE LOCATED NO
CLOSER THAN 660 FEET TO THE EXTERIOR
BOUNDARIES OF SAID SPACING UNIT.

ORDER NO. 392-2006

Docket No. 346-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the hearing on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

BOARD ORDER NO. 392-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 10, T23N-R54E,
RICHLAND COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED GAS
FROM THE BAKKEN FORMATION AND TO
DESIGNATE APPLICANT'S KAREN #1-10H WELL
AS THE AUTHORIZED WELL FOR SAID SPACING
UNIT.

ORDER NO. 393-2006

Docket No. 347-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 10, T23N-R54E, Richland County, Montana, is designated a permanent spacing unit for the production of oil and associated gas from the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Karen #1-10H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 393-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 CREATE
A PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 31, T30N-R58E,
ROOSEVELT COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE RATCLIFFE
FORMATION.

ORDER NO. 394-2006

Docket No. 355-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 31, T30N-R58E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

BOARD ORDER NO. 394-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 CREATE
A PERMANENT SPACING UNIT COMPRISED
OF ALL OF SECTION 34, T30N-R58E,
ROOSEVELT COUNTY, MONTANA, FOR
PRODUCTION OF OIL AND ASSOCIATED
NATURAL GAS FROM THE RATCLIFFE
FORMATION.

ORDER NO. 395-2006

Docket No. 356-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 34, T30N-R58E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

BOARD ORDER NO. 395-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 CREATE
A PERMANENT SPACING UNIT COMPRISED
OF THE NW¼ OF SECTION 4 AND THE N½
OF SECTION 5, T29N-R58E, ROOSEVELT
COUNTY, MONTANA, FOR PRODUCTION OF
OIL AND ASSOCIATED NATURAL GAS FROM
THE RATCLIFFE FORMATION.

ORDER NO. 396-2006

Docket No. 357-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Mr. Thomas T. Ritter appeared in person to protest the application, and a protest letter from Mr. Ritter was read into the record by the Chairman.
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 of Section 4 and the N½ of Section 5, T29N-R58E, Roosevelt County, Montana, are designated a permanent spacing unit for production of oil and associated natural gas from the Ratcliffe Formation.

BOARD ORDER NO. 396-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 POOL
ALL INTERESTS IN THE PERMANENT
SPACING UNIT COMPRISED OF THE
NW¼ OF SECTION 4 AND THE N½ OF
SECTION 5, T29N-R58E, ROOSEVELT
COUNTY, MONTANA, FOR PRODUCTION
OF OIL AND ASSOCIATED NATURAL GAS
FROM THE RATCLIFFE FORMATION AND
TO AUTHORIZE RECOVERY OF
NON-CONSENT PENALTIES IN
ACCORDANCE WITH SECTION
82-11-202(2) M.C.A.

ORDER NO. 397-2006

Docket No. 358-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Mr. Thomas T. Ritter appeared in person to protest the application, and a protest letter from Mr. Ritter was read into the record by the Chairman.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the NW¼ of Section 4 and the N½ of Section 5, T29N-R58E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Ratcliffe Formation.

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

BOARD ORDER NO. 397-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. TO DESIGNATE
THE FOLLOWING DESCRIBED LANDS IN BIG HORN
COUNTY, MONTANA, AS A FIELD FOR PRODUCTION OF
COAL BED NATURAL GAS FROM ALL COAL BED ZONES
FROM THE SURFACE TO THE BASE OF THE FORT UNION
FORMATION; TO ESTABLISH 80-ACRE SPACING UNITS WITH
220-FOOT SETBACKS; AND TO AUTHORIZE COMMINGLING
IN THE WELLBORE OF GAS PRODUCED FROM DIFFERENT COAL BEDS.

ORDER NO. 398-2006

T7S-R40E

SECTION 1: ALL
SECTION 2: ALL
SECTION 3: ALL
SECTION 9: SE $\frac{1}{4}$
SECTION 10: ALL
SECTION 11: ALL
SECTION 12: ALL
SECTION 13: ALL
SECTION 14: ALL
SECTION 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
SECTION 21: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
SECTION 22: ALL
SECTION 23: ALL
SECTION 24: ALL
SECTION 25: ALL
SECTION 26: ALL
SECTION 27: ALL
SECTION 34: ALL
SECTION 35: ALL
SECTION 36: ALL

APPLICANT NOTES THAT THE ABOVE-DESCRIBED
LANDS ARE SUBJECT TO BOARD ORDER 99-99
AND THE RECORD OF DECISION DATED
MARCH 26, 2003. A SEPARATE APPLICATION
REQUESTING APPROVAL OF APPLICANT'S
FOURMILE EAST PROJECT PLAN OF
DEVELOPMENT FOR THE ABOVE-DESCRIBED
LANDS HAS BEEN FILED WITH THE BOARD.

Docket No. 367-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. Attorney Loren J. O'Toole, II appeared and read a statement of protest on behalf of his client, Diamond Cross Properties, LLC.

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that the lands contained in this application are designated the Fourmile East Field.

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 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
PINNACLE GAS RESOURCES, INC. FOR AN ORDER
APPROVING ITS FOURMILE EAST PROJECT PLAN OF
DEVELOPMENT FOR COAL BED NATURAL GAS EXPLORATION
AND DEVELOPMENT UPON THE FOLLOWING DESCRIBED
LANDS IN BIG HORN COUNTY, MONTANA:

ORDER NO. 399-2006

T7S-R40E

SECTION 1: ALL
SECTION 2: ALL
SECTION 3: ALL
SECTION 9: SE $\frac{1}{4}$
SECTION 10: ALL
SECTION 11: ALL
SECTION 12: ALL
SECTION 13: ALL
SECTION 14: ALL
SECTION 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
SECTION 21: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
SECTION 22: ALL
SECTION 23: ALL
SECTION 24: ALL
SECTION 25: ALL
SECTION 26: ALL
SECTION 27: ALL
SECTION 34: ALL
SECTION 35: ALL
SECTION 36: ALL

APPLICANT STATES THE ABOVE-DESCRIBED
LANDS ARE SUBJECT TO BOARD ORDER 99-99
AND THE RECORD OF DECISION DATED
MARCH 26, 2003. APPLICANT PROPOSES TO
DRILL AND DEVELOP THE ABOVE-DESCRIBED
LANDS FOR COAL BED NATURAL GAS WITH
WELL DENSITIES GREATER THAN ONE WELL
PER 640 ACRES. PRIOR TO HEARING,
APPLICANT WILL SUBMIT ITS FOURMILE EAST
PROJECT PLAN OF DEVELOPMENT FOR THE
ABOVE-DESCRIBED LANDS TO BOARD STAFF.

Docket No. 368-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Elaine Mitchell was absent and did not participate in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

BOARD ORDER NO. 399-2006

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. Attorney Loren J. O'Toole, II appeared in person and read a statement of protest on behalf of his client, Diamond Cross Properties, LLC.

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

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Pinnacle Gas Resources, Inc. is granted as applied for.

IT IS FURTHER ORDERED that approval of this application is contingent upon completion of an Environmental Assessment by Board staff.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Wayne Smith, Board Member

Joan Stahl, 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
SAGA PETROLEUM CORP. TO AMEND BOARD
ORDER 25-75, WHICH ESTABLISHED THE
MIDDLE DRY CREEK GAS FIELD, TO INCLUDE
THE N½SW¼ AND THE NW¼ OF SECTION 10,
T7S-R21E, CARBON COUNTY, MONTANA,
WITHIN THE FIELD DELINEATION FOR
PRODUCTION OF FRONTIER FORMATION GAS
AND TO AUTHORIZE APPLICANT'S
SCHLEIDERER #6-10 WELL TO BE PRODUCED
AT A LOCATION 2007' FNL AND 2014' FWL OF
SAID SECTION 10.

ORDER NO. 400-2006

Docket No. 369-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King recused himself and took no part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity 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 Board Order 25-75, which established the Middle Creek Gas Field, is amended to include the N½SW¼ and the NW¼ of Section 10, T7S-R21E, Carbon County, Montana, within the field delineation for production of Frontier Formation gas.

IT IS FURTHER ORDERED that applicant's Schleiderer #6-10 well is to be produced at a location 2007' FNL and 2014' FWL of said Section 10.

BOARD ORDER NO. 400-2006

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 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 OWN MOTION
NERDLIHC COMPANY, INC. TO APPEAR
AND SHOW CAUSE, IF ANY IT HAS, WHY
ITS BOND SHOULD NOT BE FORFEITED
FOR FAILURE TO CLEAN UP THE
FUGERE TANK BATTERY SITE LOCATED
IN SECTION 30, T34N-R48E, DANIELS
COUNTY, MONTANA.

ORDER NO. 401-2006

Docket No. 377-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

2. No one appeared at the hearing on behalf of Nerdlihc Company, Inc.

3. A letter from Adrienne Fugere and Fernande Fugere was received, demanding that the following wellbores on their land be plugged and abandoned: the Fugere #1-1-30, Fugere #2- 2-25, Fugere #3- 3-30, Fugere #4- 4-19, Fugere #5- 5-24 and Fugere#7- 7-30. The letter also requested that a Class 3 environmental audit be performed on Tank Battery Fugere #1. The Fugere's appeared in person at the hearing.

4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Nerdlihc company, Inc. is hereby fined \$2500, due immediately, for failure to satisfactorily complete the Fugere tank battery site clean-up by September 21, 2006 as set forth in Board Order 327-2006.

IT IS FURTHER ORDERED that Board staff contract for clean-up of the Fugere tank battery and well location and bill Nerdlihc Company, Inc. for those and associated administrative costs.

BOARD ORDER NO. 401-2006

IT IS FURTHER ORDRED that Nerdlihc Company, Inc. must plug all six Fugere wells on its bond AND reimburse the Board for costs of cleaning up the Fugere well and tank battery site by December 14, 2006 or its bond will be forfeited.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, 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 OWN MOTION
FAITH DRILLING, INC. TO APPEAR AND
SHOW CAUSE, IF ANY IT HAS, WHY ITS
BOND SHOULD NOT BE FORFEITED OR
OTHER PENALTIES APPLIED FOR
FAILURE TO PUT INTO PRODUCTION OR
PLUG AND ABANDON THE HOLSTEIN
31-5 WELL WHICH WAS COMPLETED IN
1992 AND IS LOCATED IN SECTION 5,
T28N-R7W, PONDERA COUNTY,
MONTANA.

ORDER NO. 402-2006

Docket No. 459-2006

Report of the Board

The above entitled cause came on regularly for hearing on the 2nd day of November, 2006 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. Mr. Doug Bruner, owner of Faith Drilling, Inc., appeared in person at the hearing.
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Faith Drilling, Inc. has until November 2, 2007 to plug and abandon the Holstein 31-5 well in Section 5, T28N-R7W, Pondera County, Montana.

BOARD ORDER NO. 402-2006

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2nd day of November, 2006.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Denzil Young, Vice-Chairman

Don Bradshaw, Board Member

Jack King, Board Member

Elaine Mitchell, Board Member

Wayne Smith, Board Member

Joan Stahl, Board Member

ATTEST:

Terri H. Perrigo, Executive Secretary