

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
October 9 and 10, 2013

CALL TO ORDER

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 2:00 p.m., Wednesday, October 9, 2013 in the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Nelson, Ron Efta, John Evans, Jack King, Peggy Ames-Nerud and Bret Smelser. Board member Wayne Smith was absent. Staff present were Jim Halvorson, George Hudak, Gary Klotz, Terri Perrigo, Tom Richmond and Rob Stutz.

APPROVAL OF MINUTES

With no comments on or corrections to the August minutes, Chairman Nelson deemed them approved as written.

PUBLIC COMMENT

Montana Water Well Contractors

Ms. Ronda Wiggers, a lobbyist for the Montana Water Well Contractors (WWC), was present to protest the MT Salinity Control Assn (MSCA) request for funding to retrofit a drilling rig. She was not aware the request had been withdrawn by the Governor's Budget office, but still wanted to state the WWC position. WWC is opposed to the request. The WWC thinks the Board funding a drilling rig retrofit for the MSCA is a bad idea. There are 244 water well contractors in the state who bid on RFP's that MSCA puts out. Retrofitting a rig would take jobs away from private water well contractors.

Change of Operator Request – Quicksilver Resources, Inc. (Quicksilver) to Synergy Offshore LLC (Synergy)

Attorney Don Lee and CEO of Synergy Duane King were present. Board staff Mr. Halvorson requested Synergy attend this business meeting because they have in excess of 700 wells involved in their change of operator request, many of which are shut in and non-producing.

Mr. King of Synergy wanted to know if he could use a letter of credit from a Fort Worth TX bank as his bond. Board rules say it has to be a Montana bank, but he would like to discuss it. He could free up a lot of capital if the Texas letter of credit were accepted.

Mr. King is out of Houston and has operated in Montana for three years. He purchased the Northeast Cut Bank Sand Unit three years ago and started studying the area. The Quicksilver deal is his third go at buying old properties and turning them around.

Synergy is a private company. It is Mr. King's third company. Everything Synergy owns is Montana and Wyoming production. Blackstone Energy Fund is true owner of company because they are in an equity structure relationship with Mr. King. Instead of Mr. King paying them a coupon and trying to stay ahead, Blackstone is an owner. They own Synergy now, but Mr. King gains ownership as he increases the value of the company.

Board member Jack King said letters of credit from out of state banks used to be allowed, but then the Board was unable to collect on one when an operator went bankrupt.

Jack King asked Mr. King of Synergy if he had looked at a surety bond. Mr. King said insurance companies have backed away from those.

Mr. Stutz said there is no flexibility of where the letter of credit comes from. It has to be a Montana bank. A bond is required under 82-11-123 (5) and the Board has established rules to implement the bond requirement. Those rules (A.R.M. 36.22.1308 and 36.22.1408) specify that letters of credit must be issued by an FDIC-insured Montana commercial bank.

Attorney Don Lee asked what it would take to amend the rule to provide some flexibility for a situation like this. Mr. Stutz said rulemaking would be required.

Chairman Nelson said the rule requires a Montana bank for a reason. She asked for a motion to do rulemaking to change the Montana bank requirement. There was no motion.

The following was the staff recommendation regarding bond amount:

- a. Injection wells: Mr. Hudak recommended a \$314,375 bond for 133 injection wells. Synergy did post a \$50K bond for 10 new injection wells a few months ago. They can get that bond back and roll those 10 wells and the \$50,000 into the new \$314,374 blanket bond.
- b. Producing wells. Mr. Halvorson recommended a \$125,000 production bond to cover the Quicksilver wells that have been acquired and the existing Synergy wells which are currently covered by a \$50K bond.

MOTION: Mr. Efta made a motion to require a total bond of \$439,375, separated into two bonds: \$125,000 for producing wells and \$314,375 for injection wells. Seconded by Mr. Smelser and unanimously passed.

FINANCIAL REPORT

Financial Report – Ms. Perrigo distributed and discussed the financial report attached as Exhibit 1. Mr. King asked about the vacant FTE. Ms. Perrigo said the Board has 24.5 FTE and only 15.0 are filled. The following 9.5 FTE are vacant

Vacant Positions			
As of 10/09/13			
80170	1.0	Exempt	Billings
80030	1.0	CFI	Billings
80020	1.0	Field Inspector	Billings - never filled
80060	1.0	Field Inspector	Miles City
80055	1.0	Field Inspector	2013 Legislature
80065	1.0	Field Inspector	2013 Legislature
80160	1.0	Permit Clerk	Billings
80120	1.0	Public Access Data	Billings
80140	0.5	Statistician	Billings
80070	<u>1.0</u>	Admin Assistant	Helena
TOTAL	9.5		

Ms. Perrigo said Oil& Gas gave the 0.5 FTE to DNRC fiscal bureau to make a half-time agency safety officer a full-time position. They got the FTE and spending authority associated with it (approximately \$25,000 per year), but no cash.

Mr. King asked about the CARDD RDG grant funds the support orphan well plugging. Ms. Perrigo said the elimination of O&G priority funding status was supposed to be one-time only, and if nothing changes the Board should be #1 and #2 on the priority list for the 2015 session. Mr. King said it is frustrating to have statutory directive to spend RDG funds, which come from severance taxes, and then not get them because legislators change the statute. Between now and next session we need to continue to work on that and educate the committee.

PROPOSED SCHEDULE 2014

Ms. Perrigo presented the proposed 2014 schedule which is attached as Exhibit 2. No meetings are scheduled for IOGCC and GWPC mid-year and annual convention dates. She asked Board members to review the schedule and let her know of conflicts or requests for change prior to the December hearing when the 2014 schedule will be finalized.

Bond and Docket Summary

Mr. Halvorson distributed the Bond Report and Docket Summary, attached as Exhibit 3.

Staff Reports

Acting Chief Field Inspector Gary Klotz was present. He distributed and discussed Exhibit 4, the grant project summary.

UIC Director George Hudak discussed a matter involving Denbury Onshore, LLC. They failed to shut in four injection wells, per Inspector Gizicki's instructions, until MIT's could be completed and the mechanical integrity of the wells could be demonstrated. Mr. Hudak distributed Exhibit 5 a letter sent to Tom Yates of Denbury regarding the situation. Mr. Hudak said Mr. Yates called him and said they had no excuse for what happened. Mr. Hudak recommended a \$500 fine for each well that was not shut in, for a total fine of \$2000.

MOTION: Moved by Mr. Smelser, seconded by Mr. Efta to fine Denbury \$2000.

Attorney Rob Stutz said the Annie Ostby case was dismissed. He received the dismissal order.

Administrator Tom Richmond said former Miles City Field Inspector John Gizicki has been hired for the new compliance specialist position in Billings. His previous job is being advertised, and preferred locations are Glendive, Baker or Miles City.

The Chief Field Inspector position has been re-advertised. Four people applied the first time, and none of them were qualified.

Mr. Richmond distributed Exhibit 6, a draft position description for the Petroleum Engineer position. It will be the fourth exempt staff position. He also attached a salary survey for petroleum engineers that was updated this October. The next step is to put this draft into the department's job profile format and get it advertised. Mr. Richmond hopes the Board can attract someone with at least 5 years experience, preferably with some regulatory experience also.

Chairman Nelson informed the Board that Mr. Richmond has said he will retire sometime between March and August 2014. She, Mr. King, Mr. Richmond, Mr. Halvorson and Mr. Stutz had a meeting to determine if the petroleum engineer functions are tied to the administrator position. They are not. So they decided to advertise for a petroleum engineer first and get that person on board before Mr. Richmond leaves.

Ms. Ames-Nerud asked if the petroleum engineer position would be advertised nationally. Mr. Richmond said yes, in the Oil and Gas Journal, trade magazines, etc.

Mr. Richmond said there is action taking place on the Sage Grouse draft proposal that would affect oil and gas and agriculture in regard to how far you have to stay away from leks. Almost all sage grouse activity is in Eastern Montana, although there is a sage grouse population in Dillon also. Mr. King said this could have the most impact on industry of anything that has come out regarding sage grouse, because sage grouse are found in most of the oil and gas producing areas. Mr. Richmond said the Sage Grouse Council (that the Board gave a \$37,500 grant to for development of this plan) has to give its draft plan to the Governor by the end of October.

Montana Tech – Survey of Native Proppant (SNaP)

Mr. John Getty of MT Tech was present to give the Board an update on the SNaP project. He distributed and discussed Exhibit 7. They have surveyed a fair amount of the state to look at areas that would be likely sources of proppant material. There is a deposit in the Pryors that looks promising and the company is now seeking permission from BLM to mine there. The MT Tech Foundation provided funds to purchase a particle size analyzer. Mr. Getty would like to reallocate funds in the project budget into personal services so they can hire staff from the Bureau of mines to assist with the project. He would like the Board to approve the revised budget as shown on Exhibit 8.

MOTION: Motion by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the revised SNaP budget as shown on Exhibit 8.

Exempt Staff Performance Evaluations.

It was decided to give the three exempt staff members (Richmond, Halvorson and Hudak) 5 percent pay raises effectively immediately.

With no further business, the meeting adjourned at 5:15 p.m.

PUBLIC HEARING.

The Board reconvened on Thursday, October 10, 2013 at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana, to hear the matters docketed for public hearing. Member, Bret Smelser, was absent. As a result of the discussion, testimony and technical data placed before the Board, the following action was taken in each matter.

Docket No. 425-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Kracken Oil & Gas LLC was approved as set forth in Board Order 445-2013.

Docket No. 426-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 408-2013.

Docket No. 427-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 409-2013.

Docket No. 428-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 410-2013.

Docket No. 429-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 411-2013.

Docket No. 430-2013 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 412-2013.

Docket No. 431-2013 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 413-2013. Mr. King recused himself.

Docket No. 432-2013 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 414-2013. Mr. King recused himself.

Docket No. 433-2013 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of Slawson Exploration Company, Inc. as set forth in Board Order 415-2013. Mr. King recused himself.

Docket No. 434-2013 – The application of Burlington Resources Oil & Gas Company LP was withdrawn.

Docket No. 435-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 446-2013.

Docket No. 436-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 447-2013.

Docket No. 437-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 448-2013.

Docket No. 438-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 449-2013.

Docket No. 439-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 450-2013.

Docket No. 440-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 451-2013.

Docket No. 441-2013 – The application of Burlington Resources Oil & Gas Company LP was withdrawn.

Docket No. 442-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 452-2013.

Docket No. 443-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 453-2013.

Docket No. 444-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 454-2013.

Docket No. 445-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 455-2013.

Docket No. 446-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Burlington Resources Oil & Gas Company LP was approved as set forth in Board Order 456-2013.

Docket No. 447-2013 – A motion was made by Mr. Smith, seconded by Mr. Evans and unanimously passed, to approve the application of Samson Resources Company as set forth in Board Order 416-2013. Mr. King recused himself.

Docket No. 448-2013 – The application of Samson Resources Company was withdrawn.

Docket No. 449-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, LLC was approved as set forth in Board Order 457-2013.

Docket No. 450-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, LLC was approved as set forth in Board Order 458-2013.

Docket No. 451-2013 – The application of Denbury Onshore, LLC was withdrawn.

Docket No. 452-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 417-2013.

Docket No. 453-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 418-2013.

Docket No. 454-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 419-2013.

Docket No. 455-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 420-2013.

Docket No. 456-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 460-2013.

Docket No. 457-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 461-2013.

Docket No. 458-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 462-2013.

Docket No. 459-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 463-2013.

Docket No. 460-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Keesun Corp. as set forth in Board Order 421-2013.

Docket No. 461-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Keesun Corp. as set forth in Board Order 422-2013.

Docket No. 462-2013 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of American Midwest Oil and Gas Corp. as set forth in Board Order 423-2013.

Docket No. 463-2013 – A motion was made by Mr. Evans, seconded by Mr. Smelser and unanimously passed, to approve the application of American Midwest Oil and Gas Corp. as set forth in Board Order 424-2013.

Docket No. 464-2013 – A motion was made by Mr. Efta, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 425-2013.

Docket No. 465-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 426-2013.

Docket No. 466-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 427-2013.

Docket No. 467-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 428-2013.

Docket No. 468-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 429-2013.

Docket No. 469-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 430-2013.

Docket No. 470-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 431-2013.

Docket No. 471-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 432-2013.

Docket No. 472-2013 – The application of Continental Resources, Inc. was continued to the December 2013 hearing.

Docket No. 473-2013 – The application of Continental Resources, Inc. was withdrawn.

Docket No. 474-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 433-2013.

Docket No. 475-2013 – The application of Continental Resources, Inc. was withdrawn.

Docket No. 476-2013 – A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 434-2013.

Docket No. 477-2013 – A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 435-2013.

Docket No. 478-2013 – A motion was made by Mr. Evans, seconded by Mr. Efta and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 436-2013.

Docket No. 479-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 464-2013.

Docket No. 480-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 465-2013.

Docket No. 481-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 466-2013.

Docket No. 482-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 467-2013.

Docket No. 483-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 468-2013.

Docket No. 484-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 469-2013.

Docket No. 485-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 470-2013.

Docket No. 486-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 471-2013.

Docket No. 487-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 472-2013.

Docket No. 488-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 437-2013.

Docket No. 489-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 473-2013.

Docket No. 490-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 443-2013. Mr. King recused himself.

Docket No. 491-2013 – The application of Oasis Petroleum, Inc. was withdrawn.

Docket No. 492-2013 – The application of Oasis Petroleum, Inc. was withdrawn.

Docket No. 493-2013 – A motion was made by Mr. Smelser, seconded by Ms. Ames-Nerud and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 444-2013. Mr. King recused himself.

Docket No. 494-2013– The application of Black Gold Energy Services, Inc. was continued to the December 2013 hearing.

Docket No. 476-2012– The application of Oasis Petroleum, Inc, was continued to the December 2013 hearing.

Docket No. 736-2012– The application of Oasis Petroleum, Inc, was continued to the December 2013 hearing.

Docket No. 737-2012– The application of Oasis Petroleum, Inc, was continued to the December 2013 hearing.

Docket No. 738-2012– The application of Oasis Petroleum, Inc, was continued to the December 2013 hearing.

Docket No. 746-2012– The application of Oasis Petroleum, Inc, was continued to the December 2013 hearing.

Docket No. 174-2013– The application of XTO Energy, Inc, was continued to the December 2013 hearing.

Docket No. 304-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 438-2013. Mr. Smelser recused himself.

Docket No. 305-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the pooling application of Continental Resources, Inc. as ordered by the Board and set forth in Board Order 439-2013. Mr. Smelser recused himself.

Docket No. 306-2013 – A motion was made by Mr. Efta, seconded by Mr. King and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 440-2013. Mr. Smelser recused himself.

Docket No. 345-2013– The application of Statoil Oil and Gas LP was continued to the December 2013 hearing.

Docket No. 346-2013– The application of Statoil Oil and Gas LP was continued to the December 2013 hearing.

Docket No. 347-2013– The application of Statoil Oil and Gas LP was continued to the December 2013 hearing.

Docket No. 348-2013– The application of Statoil Oil and Gas LP was continued to the December 2013 hearing.

Docket No. 396-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 441-2013.

Docket No. 397-2013 – A motion was made by Mr. Smelser, seconded by Mr. Evans and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 442-2013.

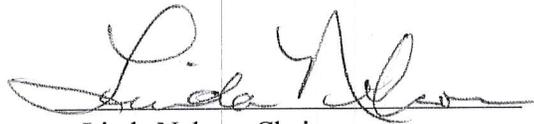
Docket No. 418-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Resources, Inc. was approved as set forth in Board Order 459-2013.

Docket No. 495-2013 – The Show-Cause hearing for Bensun Energy, LLC was dismissed.

NEXT MEETING

The next business meeting of the Board will be Wednesday, December 11, 2013 at 2:00 p.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The next regular public hearing will be Thursday, December 12, 2013, beginning at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The filing deadline for the December 12, 2013, public hearing is November 14, 2013.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA



Linda Nelson, Chairman

Ronald S. Efta

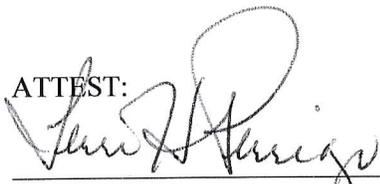
John Evans

Jack King

Peggy Ames-Nerud

Bret Smelser

ATTEST:



Terri H. Perrigo, Executive Secretary