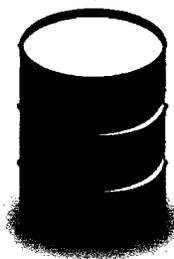


Encore Operating, L.P.



Revenue and Transportation Interim Committee

February 17, 2006

Revenue & Transportation Committee Meeting
February 16 & 17, 2006

Exhibit #33



Operations of Oil and Natural Gas

Encore Operating Cedar Creek Anticline example

Encore Operating

Founded in 1998

Principal offices in Fort Worth, Texas and Baker, Montana

61 Encore employees in Montana, 383 contract employees in Montana

5 million barrels of oil equivalent (boe) produced in Montana in 2005

#1 oil producer in Montana



Operations of Oil and Natural Gas

Encore Operating Cedar Creek Anticline example

Cedar Creek Anticline (CCA)

Oil emplacement and accumulation

120 mile long – 5 mile wide structure
from north of Glendive southeasterly across N. Dakota into S. Dakota

Estimated original oil in place of over 3 billion barrels,
primarily in reservoirs at 6,000 to 9,000 feet below the surface

Shallow gas discovered in early 1900's

Oil discovered in 1952 by Shell

Numerous designated producing units and fields

464 million barrels produced to date



Operations of Oil and Natural Gas

Encore Operating Cedar Creek Anticline example

Encore Operating and the Cedar Creek Anticline

Purchased from Shell in June, 1999

420 wells drilled by Encore including new vertical, horizontal, and re-entry wells

Improved Oil Recovery (IOR)

Invested \$496 million in capital

CCA production has increased from 13,000 boe per day in 1999 to 20,000 boe per day in 2005



Operations of Oil and Natural Gas

Encore Operating Cedar Creek Anticline example

Encore Operating - Cedar Creek Anticline operational overview

Wells are drilled, evaluated, and completed for production

Oil, water, and small amount of natural gas is produced from well

Production is taken through Encore flow lines to various Encore facilities for separation and processing

Oil

Oil is put into third party pipelines and sent to Baker Gathering Station

At Baker Gathering Encore's oil and other companies oil is put into larger oil transportation lines

Generally sent in those pipelines to Guernsey, Wyoming and beyond for refining

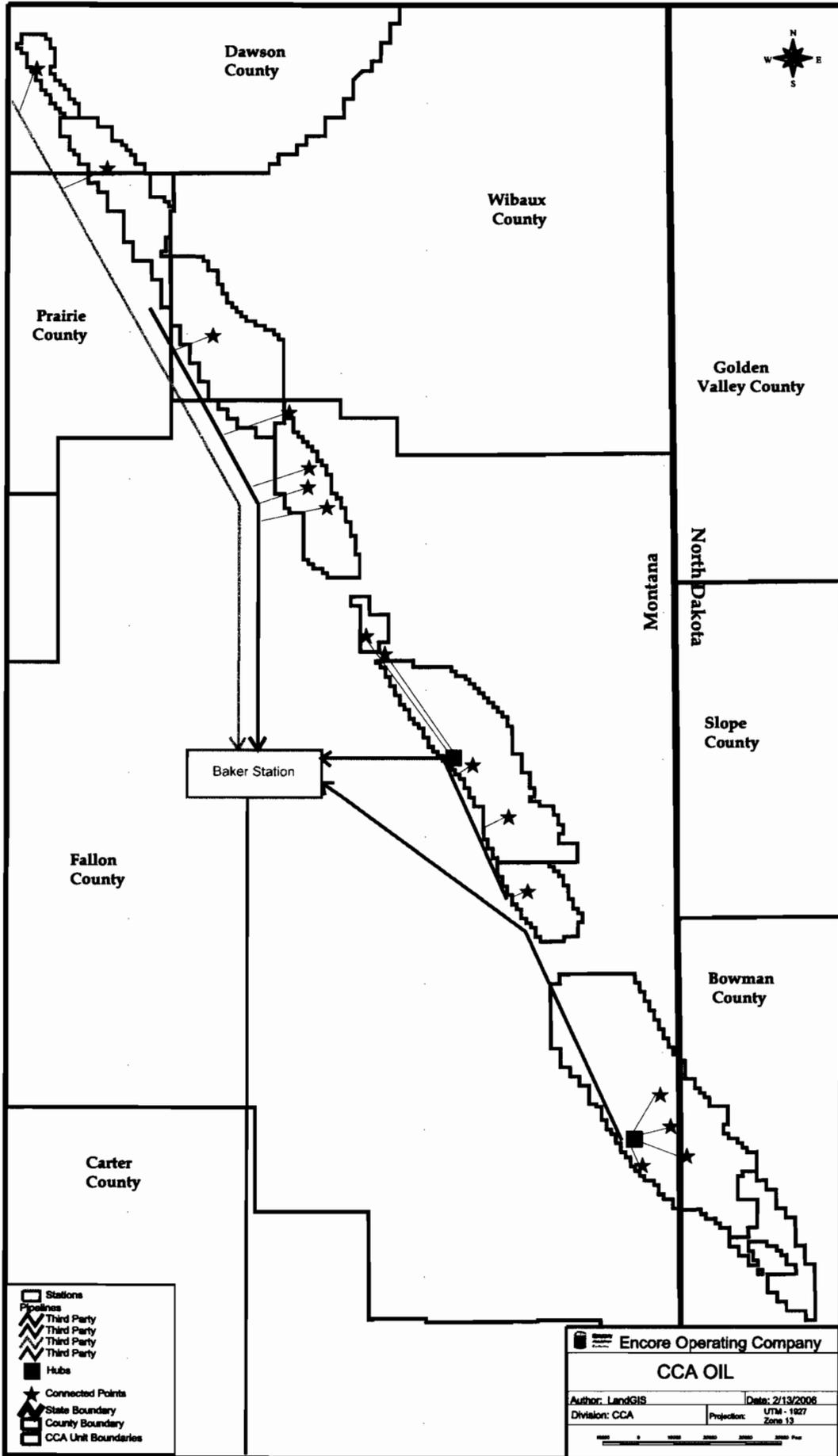
Water

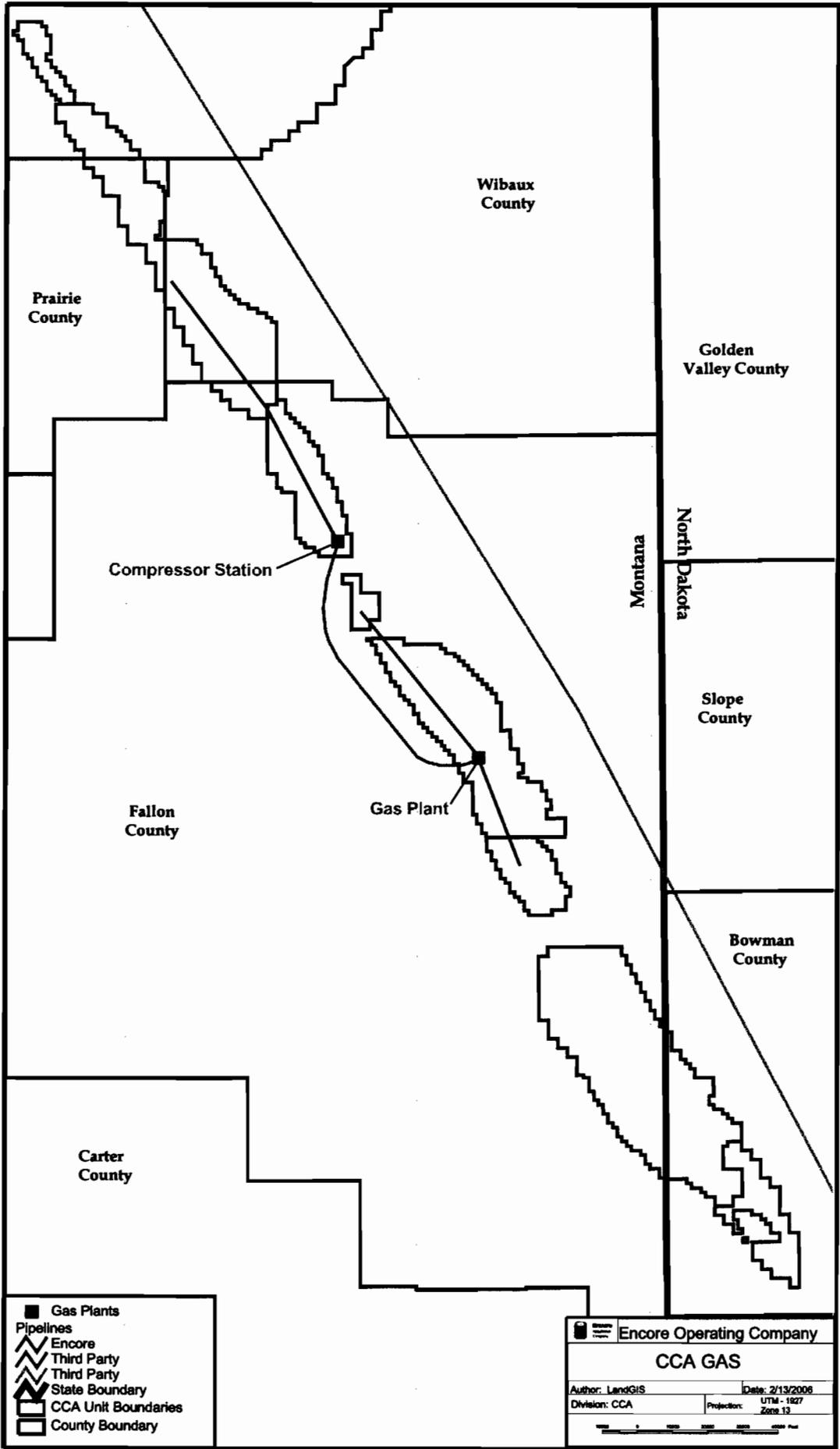
Water is re-injected into ground for IOR use (waterfloods) or disposal

Gas

Gas is used for lease fuel

Remaining gas flows in Encore flowlines for sale into gas plant for processing





■	Gas Plants
Pipelines	
==	Encore
==	Third Party
==	Third Party
---	State Boundary
- - - -	CCA Unit Boundaries
---	County Boundary

Encore Operating Company	
CCA GAS	
Author: LandGIS	Date: 2/13/2006
Division: CCA	Projector: UTM - 1927 Zone 13



Revenue from Operations of Oil and Natural Gas

Encore Operating Cedar Creek Anticline example

Revenue resulting from operations

Oil and gas subject to Montana Production Taxes; all surface equipment subject to Montana Property Tax
(approximately \$26 million in 2005)

Other taxes including Corporate Income Tax

Montana employees pay State Income Tax

Royalty from production on State Lands, and through production on Federal Lands

Taxes from royalty owners on fee (privately owned) acreage