

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

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR CERTAIN WELLS IDENTIFIED IN THE APPLICATION FROM ENERGYQUEST II, LLC TO EMPIRE NORTH DAKOTA LLC, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 28-2019

Docket No. 39-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Thomas Pritchard, CEO, and Michael Morrisett, President, appeared on behalf of Empire North Dakota LLC (Empire).
3. The Board and its staff reviewed Empire's pending change of operator request from EnergyQuest II, LLC. Empire submitted the equivalent bonding as the current operator. Empire plans to reduce its plugging liability, but it needs time to review its well files prior to deciding which wells need to be plugged. Empire also plans to recomplete the Curtis Hunter A-1 well and return the well to production. This well has been shut-in for several years.
4. The Board determined that Empire's proposed plugging and reclamation bond of \$50,000 to cover its multiple producing wells and \$10,000 to cover its one injection well was adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 28-2019

Order

IT IS THEREFORE ORDERED by the Board that the pending change of operator request will be approved subject to administrative approval.

IT IS FURTHER ORDERED that staff will schedule a review in June 2020 to evaluate Empire's actions taken to reduce its plugging liability.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR A CERTAIN WELL IDENTIFIED IN THE APPLICATION FROM MONTANA LAND & EXPLORATION, INC. TO LONEWOLF OPERATING, LLC, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 29-2019

Docket No. 40-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, and Trent Sizemore, general manager, appeared on behalf of Lonewolf Operating, LLC (Lonewolf).
3. The Board and its staff reviewed Lonewolf's pending change of operator request from Montana Land & Exploration, Inc. Lonewolf plans to reduce its plugging liability by plugging seven wells in the summer/fall of 2019.
4. The Board determined that Lonewolf's current plugging and reclamation bond of \$50,000 to cover its multiple producing wells was adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that the pending change of operator request will be approved subject to administrative approval.

BOARD ORDER NO. 29-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE  
SW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$  OF SECTION 3, LOTS 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$  OF  
SECTION 4, T9N-R58E FALLON COUNTY, MONTANA, TO DRILL A  
HORIZONTAL MADISON GROUP WELL ANYWHERE WITHIN SAID  
SPACING UNIT BUT NOT CLOSER THAN 660' SETBACK TO THE  
EXTERIOR BOUNDARIES THEREOF.

ORDER 31-2019

Docket No. 42-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 3 and Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 4, T9N-R58E, Fallon County, Montana, is designated a temporary spacing unit to drill a horizontal Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof.

BOARD ORDER NO. 31-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE  
SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 15, E $\frac{1}{2}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 22,  
SW $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 23, NW $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 26, NE $\frac{1}{4}$ NE $\frac{1}{4}$  OF  
SECTION 27, T11N-R57E, WIBAUX COUNTY, MONTANA, TO DRILL  
A HORIZONTAL MADISON GROUP WELL ANYWHERE WITHIN  
SAID SPACING UNIT BUT NOT CLOSER THAN 660' SETBACK TO  
THE EXTERIOR BOUNDARIES THEREOF.

ORDER 32-2019

Docket No. 43-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 15, E $\frac{1}{2}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 22, SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 23, NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26, NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 27, T11N-R57E, Wibaux County, Montana, is designated a temporary spacing unit to drill a horizontal Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof.

BOARD ORDER NO. 32-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF THE S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 9, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$  OF SECTION 15, NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 16, N $\frac{1}{2}$ NW $\frac{1}{4}$  OF SECTION 22, T6N-R60E, FALLON COUNTY, MONTANA, TO DRILL A SOUTH TRENDING HORIZONTAL MADISON GROUP WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 660' SETBACK TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL.

ORDER 33-2019

Docket No. 44-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$  of Section 15, NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16, N $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 22, T6N-R60E, Fallon County, Montana, is designated an overlapping temporary spacing unit to drill a south trending horizontal Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well.

BOARD ORDER NO. 33-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF THE SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION 4, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> OF SECTION 5, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 8, NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> OF SECTION 9, N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 16, T6N-R60E, FALLON COUNTY, MONTANA, TO DRILL A SOUTH TRENDING HORIZONTAL MADISON GROUP WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 660' SETBACK TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL.

ORDER 34-2019

Docket No. 45-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 4, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 5, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Section 8, NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 9, N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub> of Section 16, T6N-R60E, Fallon County, Montana, is designated an overlapping temporary spacing unit to drill a south trending horizontal Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well.

BOARD ORDER NO. 34-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE NE<sup>1</sup>/<sub>4</sub>,  
N<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> OF SECTION 33, W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION  
34, T5N-R61E, AND THE SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION 5, LOTS 1, 2, 3, 4,  
E<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub> OF SECTION 6, N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 7,  
W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 8, T4N-R62E, FALLON COUNTY, MONTANA,  
TO DRILL A HORIZONTAL MADISON GROUP WELL ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 660'  
SETBACK TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 35-2019

Docket No. 46-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the NE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 33, W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 34, T5N-R61E, and the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 5, Lots 1, 2, 3, 4, E<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub> of Section 6, N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Section 7, W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub> of Section 8, T4N-R62E, Fallon County, Montana, is designated a temporary spacing unit to drill a horizontal Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof.

BOARD ORDER NO. 35-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF POPLAR RESOURCES, LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE SW¼SE¼ OF SECTION 32, T29N-R51E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE TYLER FORMATION WITH RESPECT TO THE EPU 204 WELL AND AUTHORIZING APPLICANT TO PRODUCE THE EPU 204 WELL AT A LOCATION 817' FSL AND 2450' FEL IN SAID SECTION 32 AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 39-2019

Docket No. 47-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. The EPU 204 well was drilled as an East Poplar Unit well and subsequently determined to be a non-paying well. Designation of a spacing unit is required to allow distribution of royalty.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SW¼ SE¼ of Section 32, T29N-51E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Tyler Formation from the EPU 204 well at a location 817' FSL and 2,450' FEL in Section 32 as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 39-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T25N-R59E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE EAGLE 4-9 #3H, EAGLE 4-9 #4H, EAGLE 4-9 #5H, AND EAGLE 4-9 #6H WELLS.

ORDER 40-2019

Docket No. 48-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 32-2018. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 4 and 9, T25N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Eagle 4-9 #3H, Eagle 4-9 #4H, Eagle 4-9 #5H, and Eagle 4-9 #6H wells.

BOARD ORDER NO. 40-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 468-2011 TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 14 AND 23, T25N-R58E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 41-2019

Docket No. 49-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 468-2011.
3. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Section 14 and 23, T25N-R58E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 41-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 468-2011 is amended to authorize the drilling of up to four horizontal Bakken/Three Forks wells from a common pad in the temporary spacing unit comprised of Sections 14 and 23, T25N-R58E, Richland County, Montana, anywhere in said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF ALTA VISTA OIL CORPORATION TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 9 AND 16, T11N-R34E, ROSEBUD COUNTY, MONTANA, TO DRILL A HORIZONTAL HEATH FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 330' SETBACKS TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 46-2019

Docket No. 50-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Mr. Trevor Taylor, petroleum engineer for the Minerals Management Bureau, and Greg Bervy, mineral owner, appeared in support of the application as submitted.
3. Applicant's development plans for the area, including spacing unit size and well location requirements applicable to Dockets 50-2019 through 54-2019, were discussed in detail under Docket 50-2019.
4. Whether or not a 330' setback from spacing unit boundaries was adequate to protect correlative rights was discussed and the motion was made to approve the application for two-section spacing units with 660' lateral and 330' toe and heel setbacks was made. The motion failed.
5. A second motion to designate two spacing units, one comprised of the east half of each section and the other including the west half of each section, with 660' lateral and 330' toe and heel setbacks was made.
6. 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 46-2019

Order

IT IS THEREFORE ORDERED by the Board that two spacing units, one comprised of the W½ of Section 9 and the W½ of Section 16 and the other, the E½ of Section 9 and the E½ of Section 16, T11N-R34E, Rosebud County, Montana, are designated as two 640 acre temporary spacing units to drill a Heath Formation well anywhere within each of said temporary spacing units but not closer than 330' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

**I dissent**

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Mac McDermott, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF ALTA VISTA OIL CORPORATION TO VACATE BOARD ORDER 495-2012 AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 17 AND 20, T10N-R33E, ROSEBUD COUNTY, MONTANA, TO DRILL A HORIZONTAL HEATH FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 330' SETBACKS TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 47-2019

Docket No. 51-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Applicant's development plans for the area, including spacing unit size and well location requirements applicable to Dockets 50-2019 through 54-2019, were discussed in detail under Docket 50-2019.
3. Board Order 495-2012 had previously designated all of Section 17 as a temporary spacing unit for a proposed horizontal Heath Formation well.
4. Whether or not a 330' setback from spacing unit boundaries was adequate to protect correlative rights was discussed and the motion was made to approve the application for two-section spacing units with 660' lateral and 330' toe and heel setbacks was made. The motion failed.
5. A second motion to designate two spacing units, one comprised of the east half of each section and the other including the west half of each section, with 660' lateral and 330' toe and heel setbacks was made.
6. Mr. Mark Robillard with the Bureau of Land Management, supported the 660' lateral setback instead of the 330' lateral setback.
7. 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 47-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 495-2012 is vacated.

IT IS FURTHER ORDERED that two spacing units, one comprised of the W½ of Section 17 and the W½ of Section 20, and the other, the E½ of Section 17 and the E½ of Section 20, T10N-R33E, Rosebud County, Montana, are designated to drill a Heath Formation well anywhere within each of said temporary spacing units but not closer than 330' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

**I dissent**

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Mac McDermott, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF ALTA VISTA OIL CORPORATION TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 11 AND 14, T10N-R34E, ROSEBUD COUNTY, MONTANA, TO DRILL A HORIZONTAL HEATH FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 330' SETBACKS TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 48-2019

Docket No. 52-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Mr. Carter Stewart, a leasehold interest owner within the proposed spacing unit, and Mr. George Duke, petroleum landman, presented what they believed to be an issue regarding the leasehold ownership of the applicant. The matter was determined to be outside of the Board's jurisdiction.
3. Applicant's development plans for the area, including spacing unit size and well location requirements applicable to Dockets 50-2019 through 54-2019, were discussed in detail under Docket 50-2019.
4. Whether or not a 330' setback from spacing unit boundaries was adequate to protect correlative rights was discussed and the motion was made to approve the application for two-section spacing units with 660' lateral and 330' toe and heel setbacks was made. The motion failed.
5. A second motion to designate two spacing units, one comprised of the east half of each section and the other including the west half of each section, with 660' lateral and 330' toe and heel setbacks was made.
6. 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 48-2019

Order

IT IS THEREFORE ORDERED by the Board that two spacing units, one comprised of the W½ of Section 11 and W½ of Section 14, and the other, the E½ of Section 11 and E½ of Section 14, T10N-R34E, Rosebud County, Montana, are designated to drill a Heath Formation well anywhere within each of said temporary spacing units but not closer than 330' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

**I dissent**

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Mac McDermott, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF ALTA VISTA OIL CORPORATION TO VACATE BOARD ORDER 87-2011 AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 29 AND 32, T11N-R32E, ROSEBUD COUNTY, MONTANA, TO DRILL A HORIZONTAL HEATH FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 330' SETBACKS TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 49-2019

Docket No. 53-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.

2. Mr. Carter Stewart, a leasehold interest owner within the proposed spacing unit, and Mr. George Duke, petroleum landman, presented what they believed to be an issue regarding the leasehold ownership of the applicant. The matter was determined to be outside of the Board's jurisdiction.

3. Applicant's development plans for the area, including spacing unit size and well location requirements applicable to Dockets 50-2019 through 54-2019, were discussed in detail under Docket 50-2019.

4. Whether or not a 330' setback from spacing unit boundaries was adequate to protect correlative rights was discussed and the motion was made to approve the application for two-section spacing units with 660' lateral and 330' toe and heel setbacks was made. The motion failed.

5. A second motion to designate two spacing units, one comprised of the east half of each section and the other including the west half of each section, with 660' lateral and 330' toe and heel setbacks was made.

6. 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 49-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 87-2011 is vacated.

IT IS FURTHER ORDERED that two spacing units, one comprised of the W½ of Section 29 and W½ of Section 32, and the other, the E½ of Section 29 and E½ of Section 32, T11N-R32E, Rosebud County, Montana, are designated to drill a Heath Formation well anywhere within each of said temporary spacing units but not closer than 330' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

**I dissent**

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Mac McDermott, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF ALTA VISTA OIL CORPORATION TO  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF  
SECTION 16, T12N-R32E, ROSEBUD COUNTY, MONTANA, TO  
DRILL A HORIZONTAL HEATH FORMATION WELL ANYWHERE  
WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 330'  
SETBACKS TO THE EXTERIOR BOUNDARIES THEREOF.  
APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90  
DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 50-2019

Docket No. 54-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Applicant's development plans for the area, including spacing unit size and well location requirements applicable to Dockets 50-2019 through 54-2019, were discussed in detail under Docket 50-2019.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Section 16, T12N-R32E, Rosebud County, Montana, is designated a temporary spacing unit to drill a Heath Formation well anywhere within said temporary spacing unit at any location not closer than 330' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

BOARD ORDER NO. 50-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF RUDY S. CICON AND JOHN M. CICON TO VACATE BOARD ORDER 220-2001 AND TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE NE¼SE¼ OF SECTION 22, T36N-R6E, LIBERTY COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM ANY ZONES AND FORMATIONS LESS THAN 2,190 WITH RESPECT TO THE SHOEMAKER #9-22 WELL. NATURAL GAS PRODUCED FROM THE WELL WILL BE UTILIZED BY THE APPLICANT FOR DOMESTIC PURPOSES ONLY.

ORDER 45-2019

Docket No. 55-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a permanent spacing unit for production from all Cretaceous horizons by Montana Board of Oil and Gas Conservation Order 220-2001.
3. Croft Petroleum Company drilled the Shoemaker #9-22 well in 2001. Due to the well not being economical, the operator transferred the well to the landowners. The natural gas produced or producible from the above well will be utilized by applicants for domestic purposes only with no intent to market natural gas therefrom.
4. At the time of hearing, Don Lee, attorney for the applicant, amended the application to apply to the Second White Specks and Spike Formations only.
5. 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Order 220-2001 is vacated and the NE¼SE¼ of Section 22, T36N-R6E, Liberty County, Montana, is designated a permanent spacing unit for production of natural gas from the Second White Specks and Spikes Formation from the Shoemaker #9-22 well. Natural gas produced from the well will be utilized by the applicant for domestic purposes only.

BOARD ORDER NO. 45-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CONVERT THE 12-8 WELL (API #25-025-05558) LOCATED IN THE SW $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 8, T10N-R58E, FALLON COUNTY, MONTANA (CABIN CREEK FIELD) TO A SALTWATER DISPOSAL WELL IN THE MISSION CANYON FORMATION AT A DEPTH OF APPROXIMATELY 7,490-7,790 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS WATER IN THE INJECTION FORMATION CONTAINS LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 36-2019

Docket No. 56-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Denbury Onshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 36-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CONVERT THE 11X-8R WELL (API #25-025-21020) LOCATED IN THE NW¼NW¼ OF SECTION 8, T10N-R58E, FALLON COUNTY, MONTANA (CABIN CREEK FIELD) TO A SALTWATER DISPOSAL WELL IN THE MISSION CANYON FORMATION AT A DEPTH OF APPROXIMATELY 7,490-7,800 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS WATER IN THE INJECTION FORMATION CONTAINS LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 37-2019

Docket No. 57-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Denbury Onshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 37-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF BIG SKY ENERGY, LLC, TO  
CONVERT THE CHAPMAN 13-2 WELL (API #25-009-21165) IN THE  
SW¼SW¼ OF SECTION 2, T7S-R21E, CARBON COUNTY,  
MONTANA (DRY CREEK FIELD) TO A SALTWATER INJECTION  
WELL IN THE FRONTIER FORMATION AT A DEPTH OF  
APPROXIMATELY 4,698 FT.

ORDER 38-2019

Docket No. 58-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an 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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Big Sky Energy is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 38-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF LONEWOLF OPERATING, LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 5, T34N-R21E, BLAINE COUNTY, MONTANA, FOR THE PRODUCTION OF OIL FROM THE SAWTOOTH FORMATION WITH RESPECT TO THE L. NEUENS 7-5 WELL.

ORDER 30-2019

Docket No. 1-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a temporary spacing unit for production from the Sawtooth Formation by Montana Board of Oil and Gas Conservation Order 62-2018. Applicant has completed the L. Neuens 7-5 well as a producing well.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 5, T34N-R21E, Blaine County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Sawtooth Formation from the L. Neuens 7-5 well.

BOARD ORDER NO. 30-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T28N-R58E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE GEHRINGER 24-13 #2H, GEHRINGER 24-13 #3H, AND GEHRINGER 24-13 #4H WELLS.

ORDER 42-2019

Docket No. 17-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 230-2014. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 13 and 24, T28N-R58E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Gehringer 24-13 #2H, Gehringer 24-13 #3H, and Gehringer 24-13 #4H wells.

BOARD ORDER NO. 42-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T28N-R58E AND ALL OF SECTIONS 18 AND 19, T28N-R59E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE GEHRINGER 24-13 LE #1H WELL.

ORDER 43-2019

Docket No. 18-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 28-2017. Applicant has completed the Gehringer 24-13 LE #1H well as a producing well.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 13 and 24, T28N-R58E and all of Sections 18 and 19, T28N-R59E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Gehringer 24-13 LE #1H 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. 43-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T28N-R58E AND ALL OF SECTIONS 18 AND 19, T28N-R59E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE GEHRINGER 24-13 LE #1H WELL.

ORDER 44-2019

Docket No. 19-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 43-2019. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

BOARD ORDER NO. 44-2019

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 13 and 24, T28N-R58E and all of Sections 18 and 19, T28N-R59E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Gehringer 24-13 LE #1H well.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE DRAWINGS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$160.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS DRAWINGS, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 51-2019

Docket No. 59-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Drawings, LLC (Drawings).
3. Drawing has been delinquent with reporting production five times since becoming an operator in 2016. Due to the numerous delinquent reporting issues, staff recommended if Drawings does not come into compliance by the August 15, 2019, public hearing that the Board consider issuing a shut-in order for its wells.
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.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 51-2019

Order

IT IS THEREFORE ORDERED by the Board that Drawings is fined \$1,000 for failure to appear at the June 13, 2019, public hearing.

IT IS FURTHER ORDERED that Drawings is to appear at the August 15, 2019, public hearing and show-cause, if any it has, why additional penalties, including respondent's production being declared illegal under ARM 36.22.1245, should not be applied for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the June 13, 2019, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE PARMT LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$140.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS PARMT LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 52-2019

Docket No. 60-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of PARMT LLC (PARMT).
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.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that PARMT is fined \$1,000 for failure to appear at the June 13, 2019, public hearing.

IT IS FURTHER ORDERED that PARMT is to appear at the August 15, 2019, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the June 13, 2019, public hearing.

BOARD ORDER NO. 52-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE A & G OIL & GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY THEY SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG AND ABANDON THE FOLLOWING WELLS FOR FAILURE TO HAVE AN APPROVED PLAN FOR PLUGGING THE WELLS BY THE JUNE 13, 2019, PUBLIC HEARING:

ORDER 53-2019

- NORMONT 1 WELL, API # 25-101-23443, LOCATED IN THE SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 2, T34N-R2W, TOOLE COUNTY, MONTANA
- ROSSMILLER 3 WELL, API # 25-101-23440, LOCATED IN THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 11, T34N-R2W, TOOLE COUNTY, MONTANA
- MULLADY 11-30 WELL, API # 25-101-22933, LOCATED IN THE SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 30, T35N-R3W, TOOLE COUNTY, MONTANA

Docket No. 63-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of A & G Oil & Gas.
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.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 53-2019

Order

IT IS THEREFORE ORDERED by the Board that A & G Oil & Gas is to appear at the August 15, 2019, public hearing and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon the following wells as required by Board Order 22-2019, in accordance with § 82-11-123(5), MCA.

- Normont 1 well, located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 2, T34N-R2W, Toole County, Montana
- Rossmiller 3 well, in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 11, T34N-R2W, Toole County, Montana
- Mullady 11-30 well, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, T35N-R3W, Toole County, Montana

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE COMPASS ENERGY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY THEY SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG AND ABANDON ITS ROBERT AIKEN 6-24 WELL, API # 25-073-21260, LOCATED IN THE SE¼NW¼ OF SECTION 24, T30N-R4W, PONDERA COUNTY, MONTANA FOR FAILURE TO HAVE AN APPROVED PLAN FOR PLUGGING THE WELL BY THE JUNE 13, 2019, PUBLIC HEARING.

ORDER 54-2019

Docket No. 64-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Compass Energy, Inc. (Compass) and no response had been received from certified mailings or to a prior docket concerning abandonment of the captioned well; however, Milan Ayers did attempt to contact the Billings office prior to this hearing.
3. Should Compass propose to abandon the well or provide an alternate proposal it will be considered at the Board's August 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.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Compass Energy, Inc. is to appear at the August 15, 2019, public hearing and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Robert Aiken 6-24 well, located in the SE¼NW¼ of Section 24, T30N-R4W, Pondera County, Montana as required by Board Order 23-2019, in accordance with § 82-11-123(5), MCA.

BOARD ORDER NO. 54-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE MOLEN DRILLING CO., INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY THEY SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG AND ABANDON ITS CREMER 1-23 WELL, API # 25-097-21003, LOCATED IN THE NW¼SE¼NW¼ OF SECTION 23, T2N-R15E, SWEETGRASS COUNTY, MONTANA FOR FAILURE TO HAVE AN APPROVED PLAN FOR PLUGGING THE WELL BY THE JUNE 13, 2019, PUBLIC HEARING.

ORDER 55-2019

Docket No. 65-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Molen Drilling Co., Inc.
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.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Molen Drilling Co., Inc. is to appear at the August 15, 2019, public hearing and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Cremer 1-23 well, located in the NW¼SE¼NW¼ of Section 22, T2N-R15E, Sweetgrass County, Montana as required by Board Order 24-2019, in accordance with § 82-11-123(5), MCA.

BOARD ORDER NO. 55-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE TDW GAS PROCESSING, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY THEY SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG AND ABANDON ITS ADAMS 3 WELL, API # 25-101-22726, LOCATED IN THE SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 20, T34N-R1W, TOOLE COUNTY, MONTANA FOR FAILURE TO HAVE AN APPROVED PLAN FOR PLUGGING THE WELL BY THE JUNE 13, 2019, PUBLIC HEARING.

ORDER 56-2019

Docket No. 66-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of TDW Gas Processing, LLC.
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.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that TDW Gas Processing, LLC is to appear at the August 15, 2019, public hearing and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Adams 3 well, located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 20, T34N-R1W, Toole County, Montana as required by Board Order 25-2019, in accordance with § 82-11-123(5), MCA.

BOARD ORDER NO. 56-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE UNIONTOWN ENERGY MONTANA LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY THEY SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG AND ABANDON ITS LITTLE MONTANA 1 WELL, API # 25-065-21879, LOCATED IN THE SE $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 35, T10N-R28E, MUSSELSHELL COUNTY, MONTANA FOR FAILURE TO HAVE AN APPROVED PLAN FOR PLUGGING THE WELL BY THE JUNE 13, 2019, PUBLIC HEARING.

ORDER 57-2019

Docket No. 67-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of UnionTown Energy Montana LLC.
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.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that UnionTown Energy Montana LLC is to appear at the August 15, 2019, public hearing and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Little Montana 1 well, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 35, T10N-R28E, Musselshell County, Montana as required by Board Order 26-2019, in accordance with § 82-11-123(5), MCA.

BOARD ORDER NO. 57-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS INDIAN MOUND 1 SWD (API # 25-083-21377) WELL LOCATED IN THE NE¼SW¼SW¼ OF SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA AS REQUIRED BY BOARD ORDER 45-2017, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 58-2019

Docket No. 60-2017

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.
2. Chris Blount appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold).
3. Black Gold had three reported spills that were contained at the Indian Mound 1 wellsite since the February 14, 2019, public hearing. The first spill was 12 barrels of oil, the second spill was reported as 25-50 barrels of saltwater, and the third spill was an estimated 165 barrels of saltwater.
4. The 165 barrels of saltwater spill was discovered by the compliance specialist on June 10, 2019. There are two tanks on location that contained fluid and are not diked. At the December 13, 2018, public hearing, staff told Black Gold that the scattered un-diked salt water tanks at the wellsite posed a threat. In Order 92-2018, Black Gold was ordered to empty all scattered tanks and dispose of saltwater/content prior to the February 14, 2019, public hearing.
5. Staff recommended the Indian Mound SWD well remain shut in until the emergency shutoff equipment is installed and authorization to commence injection is granted by the Board's staff.
6. Black Gold volunteered to pay 10% of the outstanding fine of \$125,000 before the close of Business on June 13, 2019, and if another spill occurs, the remainder of the outstanding fine will be reviewed at the next available public hearing.

BOARD ORDER NO. 58-2019

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

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Black Gold pay 10% of the outstanding fine of \$125,000 before the close of business on June 13, 2019.

IT IS FURTHER ORDERED that the Indian Mound SWD well remain shut in until the emergency shutoff equipment is installed and authorization to commence injection is granted by the Board's staff.

IT IS FURTHER ORDERED if another spill violation occurs at the well, the remainder of the outstanding fine will be reviewed at the next available public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BENSUN ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES, WHICH MAY INCLUDE A PLUGGING AND RECLAMATION BOND INCREASE, SHOULD NOT BE IMPOSED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS AT THE LOUCKS 33-27 (API # 25-091-21676) WELL LOCATED IN THE NW¼SE¼ OF SECTION 27, T36N-R52E, SHERIDAN COUNTY, MONTANA AS WELL AS ANY OTHER OUTSTANDING FIELD VIOLATIONS.

ORDER 59-2019

Docket No. 81-2018

Report of the Board

The above entitled cause came on regularly for hearing on June 13, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Joseph Michael Weber were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 an opportunity to present evidence, oral and documentary.

2. Mr. Lance Benson appeared on behalf of Bensun Energy, LLC (Bensun).

3. Bensun has an outstanding fine in the amount of \$14,120. This fine amount also included an injection well fee of \$200, the injection well late fee of \$100, and delinquent reporting fine of \$70.

4. On April 11, 2019, Mr. Bensun delivered a check in the amount of \$14,120 to cover the outstanding fine. On May 2, 2019, the Montana State Treasury notified the Board that the check did not have sufficient funds.

5. Bensun stated DeepRiver Petroleum, LLC (DeepRiver) is in the process of buying Bensun's wells and the sale will be finalized in 30 days. Mr. Steven Erdahl with DeepRiver proposed a partial payment of \$5,000 to go towards Bensun's outstanding fines.

6. Bensun still has field violations that need to be remedied.

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

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 59-2019

Order

IT IS THEREFORE ORDERED by the Board that the \$5,000 payment proposed by Steven Erdahl be accepted and that payment is required before the close of business on June 14, 2019.

IT IS FURTHER ORDERED that should no payment be received and the sale of its wells not be finalized within 30 days, Bensun must begin the process to plug and abandon its wells that have no possible future use.

IT IS FURTHER ORDERED that the status of the proposed well transfer or the requirement for well abandonment be discussed at the Board's August 14, 2019, business meeting.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of June, 2019.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist