

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

**Telephonic Business Meeting Agenda
December 2, 2020 2:00 p.m.**

Physical location of Meeting: Board of Oil and Gas Conservation Hearing room, 2535 St. Johns Avenue, Billings, Montana

As required by Governor Bullock's directive, everyone on the premises must maintain at least six feet of separation from any other person. If necessary, individuals will be allowed to enter on a rotating basis, as needed, to comply with social distancing.

Due to COVID-19 considerations, please call into the meeting using the following directions

Conference Call Access:

Call-in Number: **+1 646 558 8656**

Meeting ID: 910 8913 0742 and then **press #**

Zoom Meeting URL <https://mt-gov.zoom.us/j/91089130742>

Meeting Participation Instructions:

Many participants are anticipated. To enable this meeting to run smoothly:

- Place your phone on mute.
- Do not place your phone on hold.
- The board chair will manage the meeting. Do not speak until called upon by the chair. Opportunity for input will be provided.

The agenda for that meeting is as follows:

1. Call to order
2. Roll Call & Instructions
 - Steven Durrett, Chairman
 - Paul Gatzemeier, Vice-Chairman
 - Mac McDermott, Board Member
 - Linda Nelson, Board Member
 - Dennis Trudell, Board Member
 - Joseph Michael Weber, Board Member
 - Corey Welter, Board Member
3. Approval of minutes of September 30, 2020, business meeting
4. Public comment on agenda and non-agenda items
5. D90 Energy, LLC
6. Scout Energy Management, LLC
7. Financial report
8. Bond summary & incident report
9. Docket summary
10. Gas flaring exceptions
11. Staff reports
12. Other business
13. Adjourn

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

**Telephonic Public Hearing Agenda
December 3, 2020 9:00 a.m.**

Physical location of Meeting: Board of Oil and Gas Conservation Hearing room, 2535 St. Johns Avenue, Billings, Montana

As required by Governor Bullock's directive, everyone on the premises must maintain at least six feet of separation from any other person. If necessary, individuals will be allowed to enter on a rotating basis, as needed, to comply with social distancing.

Due to COVID-19 considerations, please call into the meeting using the following directions

Conference Call Access:

Call-in Number: **1-646-558-8656 (toll-free)**

Meeting ID: 940 1004 8328 and then **press #**

Zoom Meeting URL: <https://mt-gov.zoom.us/j/94010048328>

Meeting Participation Instructions:

Many participants are anticipated. To enable this meeting to run smoothly:

- Place your phone on mute.
- Do not place your phone on hold.
- The board chair will manage the meeting. Do not speak until called upon by the chair. Opportunity for input will be provided.

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Erin Ricci at (406) 444-6731 or Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

Docket 60-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to an order clarifying the effective date of the "Mystery Creek (Red River) Unit Area" enhanced recovery unit, as established by Board Order 89-2018, in Fallon County, Montana, as to the Federal interest committed thereto, and such other and further relief as the MBOGC may deem appropriate.

Docket 61-2020

APPLICANT: DENBURY ONSHORE LLC – WIBAUX COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to authorize the production of oil and associated natural gas from the Charles Formation / Madison Group with respect to the South Pine 43-22AR well at a location of 2,005' FSL and 850' FEL in the statewide spacing unit comprised of SE¼ of Section 22, T11N-R57E, Wibaux County, Montana, as an exception to A.R.M. 36.22.702.

Docket 62-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to authorize the production of oil and associated natural gas from the Charles Formation / Madison Group with respect to the Cabin Creek 24-8R well at a location of 840' FSL and 2,165' FWL in the statewide spacing unit comprised of SW $\frac{1}{4}$ of Section 8, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

Docket 63-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** for approval of a pilot enhanced recovery project pursuant to A.R.M. 36.22.1229 in the Madison Group involving the overlapping temporary spacing unit comprised of the S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 8, W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ of Section 17, T10N-58E, Fallon County, Montana, for a period not to exceed eighteen months from the commencement of injection operations.

Docket 64-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to designate a permanent spacing unit comprised of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 19, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, T4N-R62E and the NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, T4N-R61E, Fallon County, Montana, for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group with respect to the Little Beaver East Unit MC22-30NH well.

Docket 65-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to designate a permanent spacing unit comprised of Lots 3 & 4, SW $\frac{1}{4}$ of Section 8, Lots 1 & 2, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group with respect to the Little Beaver East MC22-17NH well.

Docket 66-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to pool all interests in the permanent spacing unit comprised of Lots 3 & 4, SW $\frac{1}{4}$ of Section 8, Lots 1 & 2, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Little Beaver East MC22-17NH well.

Docket 67-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to designate a permanent spacing unit comprised of Lots 2 & 3 of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group with respect to the Cedar Creek MC22-17SH well.

Docket 68-2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to pool all interests in the permanent spacing unit comprised of Lots 2 & 3 of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Cedar Creek MC22-17SH well.

Docket 69-2020

APPLICANT: MONTALBAN OIL & GAS OPERATIONS, INC. – PONDERA COUNTY, 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 49 wells in Pondera County, Montana, identified in the application from **Mountain View Energy, Inc. to Montalban Oil & Gas Operations, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 70-2020

APPLICANT: A&S MINERAL DEVELOPMENT CO., LLC – VALLEY COUNTY, 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 48 wells in Valley County, Montana, identified in the application from **Anadarko Minerals, Inc. to A&S Mineral Development Co., LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 49-2020

Continued from October 2020

APPLICANT: THREE FORKS RESOURCES, LLC – LIBERTY AND TOOLE COUNTIES, 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 five wells in Liberty County and 11 wells in Toole County, Montana, identified in the application from **Croft Petroleum Co. to Three Forks Resources, LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 71-2020
SHOW-CAUSE HEARING

RESPONDENT: PAMECT OIL, KEITH E. TYNER DBA – PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Pamect Oil, Keith E. Tyner DBa** 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 \$240.00. 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 Pamect Oil, Keith E. Tyner DBA to further penalties as prescribed by Board Policy.

Docket 72-2020
SHOW-CAUSE HEARING

RESPONDENT: DRAWINGS, LLC – ROOSEVELT COUNTY, 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 assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing. Drawings must come into reporting compliance and pay its fines by October 29, 2020, or it must immediately shut-in its wells for illegal production per ARM 36.22.1245.

Docket 73-2020
SHOW-CAUSE HEARING

RESPONDENT: HAWLEY HYDROCARBONS, MERRILL&CAROL HAWLEY DBA – PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Hawley Hydrocarbons, Merril&Carol Hawley DBA** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file production and injection reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

Docket 74-2020
SHOW-CAUSE HEARING

RESPONDENT: HAWLEY OIL COMPANY – PONDERA AND TETON COUNTIES, MONTANA

Upon the Board's own motion to require **Hawley Oil Company** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

Docket 75-2020
SHOW-CAUSE HEARING

RESPONDENT: HAWLEY-NORTHROP- PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Hawley-Northrup** to appear 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 for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

Docket 41-2020
SHOW-CAUSE HEARING
Continued from August 2020

RESPONDENT: SHADWELL RESOURCES GROUP, LLC– RICHLAND COUNTY, MONTANA

Upon the Board's own motion to require **Shadwell Resources Group, LLC** to appear and show cause, if any it has, why Administrative Order 3-A-2020 issued at the June 24, 2020, business meeting should not remain in effect for the Velma SWD 1-10H well, API # 25-083-22531, located in the NW¼NW¼ of Section 10, T23N-R58E, Richland County, Montana. It was ordered that Shadwell Resources Group, LLC must immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator. Shadwell is subject to a \$250 fine for each day after August 24, 2020, that the violations remain unresolved.

Docket 51-2020
SHOW-CAUSE HEARING
Continued from October 2020

RESPONDENT: ROLAND OIL AND GAS – GLACIER AND PONDERA COUNTIES, MONTANA

Upon the Board's own motion to require **Roland Oil and Gas** to appear 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 for failure to pay the \$1,000 fine assessed for not appearing at the August 6, 2020, public hearing.

Docket 52-2020
SHOW-CAUSE HEARING
Continued from October 2020

RESPONDENT: ZEIDERS BROS. OIL & GAS COMPANY, LLC – MCCONE COUNTY, MONTANA

Upon the Board's own motion to require **Zeiders Bros. Oil & Gas, LLC** to appear and show cause, if any it has, why it should not immediately plug and abandon its Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE¼NE¼ of Section 5, T22N-R47E, McCone County, Montana before the October 1, 2020, public hearing and pay the outstanding fine in the amount of \$10,500, as required by Board Order 3-2020.

Docket 54-2020
SHOW-CAUSE HEARING
Continued from October 2020

RESPONDENT: ANG HOLDING (USA) CORP. – BLAINE COUNTY, MONTANA

Upon the Board's own motion to require **ANG Holding (USA) Corp.** 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 \$1,860.00. 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 ANG Holding (USA) Corp. to further penalties as prescribed by Board Policy.

BOARD OF OIL AND GAS CONSERVATION

Erin Ricci
Administrative Assistant