

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 12-2020 WHICH AUTHORIZED THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 23, 24, 25, AND 26 T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, 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 SUCH WELLS MUST BE COMMENCED NOT LATER THAN APRIL 30, 2022.

ORDER 42-2021

Docket No. 38-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

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 application of Kraken Oil & Gas LLC is granted as applied for.

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

BOARD ORDER NO. 42-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 SLAWSON EXPLORATION COMPANY INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE S½SW¼ OF SECTION 4 AND THE N½NW¼ OF SECTION 9, T21N-R59E, RICHLAND COUNTY, MONTANA TO RECOMPLETE THE FLAMES 1H-4 WELL, LOCATED APPROXIMATELY 70' FSL, 1320' FWL IN SECTION 4, AS A RATCLIFFE FORMATION WELL.

ORDER 43-2021

Docket No. 39-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

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 application of Slawson Exploration Company Inc. is granted as applied for.

BOARD ORDER NO. 43-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 PRIMA EXPLORATION, INC. TO DRILL THE WATERHOLE #1 SWD WELL IN THE SW¼SE¼ OF SECTION 24, T25N-R58E, RICHLAND COUNTY, MONTANA (FAIRVIEW FIELD) AS A SALTWATER DISPOSAL WELL IN THE DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 5,300-5,740 FT.

ORDER 44-2021

Docket No. 40-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

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 Prima Exploration, Inc. is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 44-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 RE-ENTER AND DEEPEN THE UNIT 21-17 SILURO-ORDOVICIAN WELL (API #25-025-05044) LOCATED IN THE NE $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 17 (435' FNL, 2200' FWL), T4N-R62E, FALLON COUNTY, MONTANA, FOR PURPOSES OF EVALUATING THE DEADWOOD SANDS, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 41-2021

Docket No. 43-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. John Lee, attorney, appeared in person and Kent Foster, landman, Allan Kimble, geologist, and Jake Tappan, petroleum engineer, appeared telephonically on behalf of Denbury Onshore LLC.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

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 Denbury Onshore LLC is authorized to re-enter and deepen its Unit 21-17 Siluro-Ordovician well (API #25-025-05044) located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 17 (435' FNL, 2200' FWL), T4N-R62E, Fallon County, Montana, for purposes of evaluating the Deadwood Sands, as an exception to A.R.M. 36.22.702.

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

BOARD ORDER NO. 41-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 19, W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ , OF SECTION 30, T4N-R62E AND THE NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ 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.

ORDER 45-2021

Docket No. 44-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. John Lee, attorney, appeared in person and Kent Foster, landman, Allan Kimble, geologist, and Jake Tappan, petroleum engineer, appeared telephonically on behalf of Denbury Onshore LLC.
3. Montana Board of Oil and Gas Conservation Order 23-2018 established a temporary spacing unit for production from the Mission Canyon Formation. Applicant has completed the Little Beaver East Unit MC22-30NH well as a producing well.
4. Applicant's proposed permanent spacing unit is smaller than the designated temporary spacing unit and is consistent with the participating area established by the Bureau of Land Management.
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 the W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 19, W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 30, T4N-R62E and the NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 24, T4N-R61E, Fallon County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Mission Canyon Formation / Madison Group from the Little Beaver East Unit MC22-30NH well.

BOARD ORDER NO. 45-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 CERTIFY THE EAST POPLAR UNIT AREA, ROOSEVELT COUNTY, MONTANA, AS A TERTIARY RECOVERY PROJECT EFFECTIVE JULY 1, 2020, AND TO CERTIFY THE PRODUCTION DECLINE RATES USED TO CALCULATE INCREMENTAL PRODUCTION IN THE PROJECT AREA, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE.

ORDER 38-2021

T28N-R51E

SECTION 1: ALL  
SECTION 2: ALL  
SECTION 3: ALL  
SECTION 4: LOT 1, 2, 3, 4,  
S $\frac{1}{2}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
SE $\frac{1}{4}$   
SECTION 9: NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$   
SECTION 10: ALL  
SECTION 11: ALL  
SECTION 12: W $\frac{1}{2}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ NE $\frac{1}{4}$   
SECTION 13: W $\frac{1}{2}$   
SECTION 14: ALL  
SECTION 15: NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$   
SECTION 22: E $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ SE $\frac{1}{4}$   
SECTION 23: ALL  
SECTION 24: NW $\frac{1}{4}$ ,  
NW $\frac{1}{4}$ SW $\frac{1}{4}$

T28N-R52E

SECTION 6: LOTS 4, 5, 6, 7

T29N-R50E

SECTION 11: SE $\frac{1}{4}$ SE $\frac{1}{4}$   
SECTION 12: S $\frac{1}{2}$   
SECTION 13: ALL  
SECTION 14: E $\frac{1}{2}$ NE $\frac{1}{4}$ ,  
NE $\frac{1}{4}$ SE $\frac{1}{4}$   
SECTION 24: NE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$   
SECTION 25: E $\frac{1}{2}$ E $\frac{1}{2}$ ,  
NW $\frac{1}{4}$ NE $\frac{1}{4}$   
SECTION 36: E $\frac{1}{2}$ E $\frac{1}{2}$

T29N-R51E

SECTION 7: LOT 3, 4,  
E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$   
SECTION 8: S $\frac{1}{2}$ SW $\frac{1}{4}$   
SECTION 16: SW $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$   
SECTION 17: ALL  
SECTION 18: ALL

SECTION 19: ALL  
SECTION 20: ALL  
SECTION 21: ALL  
SECTION 22: NW $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
S $\frac{1}{2}$ SE $\frac{1}{4}$   
SECTION 26: W $\frac{1}{2}$ W $\frac{1}{2}$   
SECTION 27: ALL  
SECTION 28: ALL  
SECTION 29: ALL  
SECTION 30: ALL  
SECTION 31: ALL  
SECTION 32: ALL  
SECTION 33: ALL  
SECTION 34: ALL  
SECTION 35: W $\frac{1}{2}$ NW $\frac{1}{4}$

Docket No. 45-2021 / 1-2021 FED

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

BOARD ORDER NO. 38-2021

2. John Lee, attorney, and Paul Button, senior vice president of resource development, appeared on behalf of Poplar Resources LLC.

3. At the time of hearing, John Lee stated for the record that Lots 1, 2, 4, 5, S½NE¼, S½NE¼NW¼, S½NW¼, NE¼SW¼, SE¼ of Section 4, T28N-51E is the correct legal description of unitized lands within that section. The corrected legal description will be listed in the Board's Order.

4. The evidence indicates that the East Poplar Unit Area in Roosevelt County, Montana, is a tertiary recovery project and is entitled to the tax benefits of such a project.

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, as a matter of law, that the following order should be entered.

Order

IT IS THEREFORE ORDERED by the Board that the following described lands in Roosevelt County, Montana, are designated as a new tertiary recovery project effective July 1, 2020.

T28N-R51E

SECTION 1: ALL  
SECTION 2: ALL  
SECTION 3: ALL  
SECTION 4: LOT 1, 2, 4, 5  
S½NW¼, S½NE¼,  
S½NE¼NW¼, NE¼SW¼, SE¼  
SECTION 9: NE¼, NE¼SE¼  
SECTION 10: ALL  
SECTION 11: ALL  
SECTION 12: W½, N½NE¼,  
SW¼NE¼  
SECTION 13: W½  
SECTION 14: ALL  
SECTION 15: NE¼,  
NE¼NW¼, E½SE¼  
SECTION 22: E½NE¼,  
NE¼SE¼  
SECTION 23: ALL  
SECTION 24: NW¼,  
NW¼SW¼

T28N-R52E

SECTION 6: LOTS 4, 5, 6, 7

T29N-R50E

SECTION 11: SE¼SE¼  
SECTION 12: S½  
SECTION 13: ALL  
SECTION 14: E½NE¼,  
NE¼SE¼  
SECTION 24: NE¼NW¼, E½  
SECTION 25: E½E½,  
NW¼NE¼  
SECTION 36: E½E½

T29N-R51E

SECTION 7: LOT 3, 4,  
E½SW¼, SE¼  
SECTION 8: S½SW¼  
SECTION 16: SW¼NW¼,  
SW¼, SW¼SE¼  
SECTION 17: ALL  
SECTION 18: ALL

SECTION 19: ALL  
SECTION 20: ALL  
SECTION 21: ALL  
SECTION 22: NW¼NW¼,  
S½NW¼, SW¼, NW¼SE¼,  
S½SE¼  
SECTION 26: W½W½  
SECTION 27: ALL  
SECTION 28: ALL  
SECTION 29: ALL  
SECTION 30: ALL  
SECTION 31: ALL  
SECTION 32: ALL  
SECTION 33: ALL  
SECTION 34: ALL  
SECTION 35: W½NW¼

IT IS FURTHER ORDERED that the methodology used to determine the production decline rate and forecast is hereby approved, and that staff certify the production decline rate used to calculate incremental production in the project area to the Montana Department of Revenue.

BOARD ORDER NO. 38-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE S½  
OF SECTION 3 AND THE N½ OF SECTION 10, T28N-R51E,  
ROOSEVELT COUNTY, MONTANA, TO DRILL A DEADWOOD  
SAND FORMATION TEST WELL AT ANY LOCATION NOT CLOSER  
THAN 990' FROM THE EXTERIOR BOUNDARIES THEREOF.

ORDER 39-2021

Docket No. 46-2021 / 2-2021 FED

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. John Lee, attorney, appeared in person and Jim Eherts, consulting petroleum geologist, appeared telephonically on behalf of Poplar Resources LLC.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

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 S½ of Section 3 and the N½ of Section 10, T28N-R51E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Deadwood Sand Formation test well at any location but not closer than 990' to the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within 90 days of successful completion of the proposed 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. 39-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SW¼  
OF SECTION 27, SE¼ OF SECTION 28, NE¼ OF SECTION 33, AND  
NW¼ OF SECTION 34, T29N-R51E, ROOSEVELT COUNTY,  
MONTANA, TO DRILL A DEADWOOD SAND FORMATION TEST  
WELL AT ANY LOCATION NOT CLOSER THAN 990' FROM THE  
EXTERIOR BOUNDARIES THEREOF.

ORDER 40-2021

Docket No. 47-2021 / 3-2021 FED

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. John Lee, attorney, appeared in person and Jim Eherts, consulting petroleum geologist, appeared telephonically on behalf of Poplar Resources LLC.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

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 of Section 27, SE¼ of Section 28, NE¼ of Section 33, and NW¼ of Section 34, T29N-R51E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Deadwood Sand Formation test well at any location but not closer than 990' to the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

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

BOARD ORDER NO. 40-2021

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 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman

\_\_\_\_\_  
Paul Gatzemeier, Board Member

\_\_\_\_\_  
Mac McDermott, Board Member

\_\_\_\_\_  
Joseph Michael Weber, Board Member

\_\_\_\_\_  
Corey Welter, Board Member

\_\_\_\_\_  
Jeff Wivholm, Board Member

ATTEST:

\_\_\_\_\_  
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 16 WELLS IN RICHLAND COUNTY AND 14 WELLS IN ROOSEVELT COUNTY, MONTANA, IDENTIFIED IN THE APPLICATION FROM EQUINOR ENERGY LP TO GRAYSON MILL OPERATING, LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 46-2021

Docket No. 48-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Uriah Price, attorney, and Dewey Gerdorn, vice president of business development, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
3. The Board and its staff reviewed Grayson Mill's change of operator request from Equinor Energy LP.
4. Grayson Mill proposed a \$100,000 multiple well plugging and reclamation bond that would cover 30 wells, which are all producing wells.
5. The Board determined that Grayson Mill's proposed multiple-well plugging and reclamation bond is adequate and in accordance with ARM 36.22.1308(3).
6. 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. 46-2021

Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman

\_\_\_\_\_  
Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

\_\_\_\_\_  
Jeff Wivholm, Board Member

ATTEST:

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

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

UPON THE APPLICATION OF BISON OIL AND GAS III, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 12, 13, AND 24, T26N-R58E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION. APPLICANT FURTHER REQUESTS THAT BOARD ORDER 149-2013 BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE SHIRLEY 13-24 #1H WELL.

ORDER 47-2021

Docket No. 50-2021

UPON THE APPLICATION OF BISON OIL AND GAS III, LLC TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 12, 13, AND 24, T26N-R58E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

Docket No. 51-2021

UPON THE APPLICATION OF BISON OIL AND GAS III, LLC FOR PERMITS TO DRILL FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS IN SECTIONS 12, 13, AND 24, T26N-R58E, RICHLAND COUNTY, MONTANA. GRAYSON MILL ENERGY, LLC HAS FILED PROTEST OF THESE APPLICATIONS IN ACCORDANCE WITH A.R.M. 36.22.601 BASED ON PUBLISHED NOTICE IN THE SIDNEY HERALD AND THE HELENA INDEPENDENT RECORD ON APRIL 25, 2021.

Docket No. 52-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Dockets 50-2021, 51-2021, and 52-2021 were combined for hearing at the request of Bison Oil and Gas III, LLC (Bison) and all dockets pertained to the same lands. The requests were for: 1) designation of a temporary spacing unit, 2) authorization to drill additional wells in the temporary spacing unit, and 3) protests of the applications for permits to drill wells in the proposed temporary spacing unit. Notices of intent to drill were published by Bison in accordance with A.R.M. 36.22.601 and approval of the applications for permit to drill were scheduled for hearing upon protests filed by Grayson Mill Operating, LLC (Grayson Mill).

3. Kelley Lewis and Jamie Jost, attorneys, appeared on behalf of Bison. Ms. Jost is an attorney licensed to practice in Colorado and was permitted to appear before the Board pro hac vice. Witnesses for Bison were Austin Akers, CEO, Robert Pierini, vice president of land and business development, Ian Hogan, vice president of geoscience, Elizabeth Wilson, senior staff reserves and business development engineer, and Abigail Wenk, corporate secretary and manager of compliance.

4. Uriah Price, attorney, and Dewey Gerdom, vice president of business development, appeared on behalf of Grayson Mill in protest of Dockets 50, 51, and 52-2021. Grayson Mill only recently acquired interests in the existing spacing unit through its acquisition of wells from Equinor Energy LP.

5. In Docket 50-2021 Bison requested designation of an overlapping temporary spacing unit for the Bakken/Three Forks Formation comprised of Sections 12, 13, and 24, T26N-R58E.

6. Sections 13 and 24 of T26N-R58E were designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Shirley 13-24 #1H well by Board Order 148-2013, interests were pooled on the basis of surface acreage by Board Order 149-2013, and authority to drill and complete three additional wells in the spacing unit were granted under Board Order 381-2013.

7. Section 12, T26N-R58E, is not spaced for production from the Bakken/Three Forks interval.

8. Bison presented testimony and exhibits to support its requests for designation of an overlapping temporary spacing unit and increased well density within the proposed spacing unit (Dockets 50 and 51-2021). Witnesses also discussed the proposed well locations that were the subject of protests under A.R.M. 36.22.601 (Docket 52-2021).

9. Bison testified that the overlapping temporary spacing unit would allow the economic development of Section 12 which is currently not participating in Bakken/Three Forks Formation production.

10. Bison also testified that mineral owners in the existing spacing unit would benefit from further development and the operator within the existing spacing unit had been negligent in delaying the drilling of additional wells authorized by Board Order 381-2013.

11. Bison stated that approval of Dockets 50, 51, and 52-2021 would help in the economic recovery of the nation and provide tax revenue to the State of Montana.

12. Grayson Mill testified that it has a 41.34 percent leasehold interest in the existing permanent spacing unit comprised of Sections 13 and 24, T26N-R58E, and it is the operator of the Shirley 13-24 #1H well.

13. At the time of hearing Bison held no leasehold interest in the existing permanent spacing unit and its interest was located only in Section 12. Bison's interest in the proposed 3-section temporary spacing unit was 12.07 percent.

BOARD ORDER NO. 47-2021

14. Bison does not have the consent or participation of Grayson Mill who is the operator of the Shirley 13-24 #1H well, the producing well for the existing spacing unit subject to the overlapping spacing unit request made under Docket 50-2021.

15. Grayson Mill testified that without an ownership interest in the existing permanent spacing unit Bison would have no standing under § 82-11-202, MCA, to modify the pooling order and does not have the legal right to penetrate the existing spacing unit with its proposed wells.

16. Grayson Mill also testified that allowing an operator to create an overlapping temporary spacing unit and drill wells without the consent or participation of the operator of any existing wells would affect the acquired rights of the original operator and interest owners and prohibit orderly development. It also expressed concerns that the production from the original well would be negatively impacted with the completion of other wells within the spacing unit.

17. Patrick McRorie, attorney, and Scott Davis, landman, appeared telephonically on behalf of Continental Resources Inc. (Continental). Continental owns a 13 percent working interest in the existing permanent spacing unit and also controls 105 net acres in Section 12, T26N-R58E. Continental opposed Bison's request for designation of an overlapping temporary spacing and authorization to drill additional wells in that spacing unit.

18. The Board was provided copies of written comments received prior to the hearing.

19. 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 while the designation of an overlapping temporary spacing unit can potentially increase ultimate recovery through the application of new technology such as longer horizontal well paths and increased hydraulic fracturing efficiency, doing so without the agreement of the operator or majority of interest owners within an existing permanent spacing unit being overlapped can negatively impact the interests of those owners, including these owners' expectations based on designation of the permanent spacing unit and permitting of an existing operator. This would negatively affect correlative rights, may result in the drilling of unnecessary wells, and would not promote orderly or efficient and economic development required under § 82-11-201, MCA. The Board will therefore deny Docket 50-2021.

As the Board has denied the application for designation of a new, overlapping temporary spacing unit, the applications to allow drilling of additional wells and accompanying permit application are moot. As such, they will be denied.

Order

IT IS THEREFORE ORDERED by the Board that Docket 50-2021 is denied.

IT IS FURTHER ORDERED that Docket 51-2021 is denied.

IT IS FURTHER ORDERED that the applications for permit to drill filed by Bison for the four horizontal Bakken/Three Forks wells are denied.

BOARD ORDER NO. 47-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

\_\_\_\_\_  
Jeff Wivholm, 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 BISON OIL AND GAS III, LLC TO AMEND BOARD ORDER 224-2012 TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 2 AND 11, T26N-R59E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 48-2021

Docket No. 24-2021

UPON THE APPLICATION OF BISON OIL AND GAS III, LLC FOR PERMITS TO DRILL THREE HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS IN SECTIONS 2 AND 11, T26N-R59E, ROOSEVELT COUNTY, MONTANA. SLAWSON EXPLORATION COMPANY, INC. HAS FILED PROTEST OF THESE APPLICATIONS IN ACCORDANCE WITH A.R.M. 36.22.601 BASED ON PUBLISHED NOTICE IN THE SIDNEY HERALD AND THE HELENA INDEPENDENT RECORD ON APRIL 25, 2021.

Docket No. 56-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Dockets 24-2021 and 56-2021 were combined for hearing at the request of Bison Oil and Gas III, LLC (Bison) and both dockets pertained to the same lands. The dockets are requests for authority to drill three additional wells in the permanent spacing unit comprised of Sections 2 and 11, T26N-R59E and a protest of three drilling permits filed by Bison for those wells. Notices of intent to drill were published by Bison in accordance with A.R.M. 36.22.601 and approval of the applications were scheduled for hearing upon protests filed by Slawson Exploration Company, Inc (Slawson).

BOARD ORDER NO. 48-2021

3. Kelley Lewis and Jamie Jost, attorneys, appeared on behalf of Bison. Ms. Jost is an attorney licensed to practice in Colorado and was permitted to appear before the Board pro hac vice. Witnesses for Bison were Robert Pierini, vice president of land and business development, Ian Hogan, vice president of geoscience, Elizabeth Wilson, senior staff reserves and business development engineer, and Abigail Wenk, corporate secretary and manager of compliance.

4. Uriah Price, attorney, Todd Slawson, president and petroleum engineer, and James Culbertson, landman, appeared on behalf of Slawson.

5. Loren J. O'Toole, II, attorney, appeared on behalf of Prima Exploration, Inc. in support of Slawson.

6. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 224-2012.

7. Slawson currently operates the only well in the spacing unit. Slawson stated that it does not object to the proposed well density; however, it wants to clarify that granting this application does not give the applicant the exclusive right to drill the wells in the spacing unit.

8. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Section 2 and 11, T26N-R59E, Roosevelt County, Montana.

9. Bison filed three permits to drill horizontal Bakken/Three Forks wells and advertised it in the Helena Independent Record and Sidney Herald in accordance with A.R.M. 36.22.601. Slawson, who operates the only well in the existing spacing unit, filed a demand for hearing regarding the proposed permits, also in accordance with Board rules.

10. Bison testified that Slawson has failed to drill additional wells in the permanent spacing unit comprised of Section 2 and 11, T26N-R59E and that its plan to drill three wells will benefit the royalty owners, provide additional state taxes, and help the country recover from the current economic situation.

11. Bison owns a 0.29 percent working interest in the spacing unit.

12. Bison provided a letter of support from Stewart Geological that owns a 0.7 percent working interest in the spacing unit.

13. Slawson objected to Bison's applications to drill wells in the spacing unit it currently operates. Slawson testified that it represents 94.22 percent of the working interest owners and testified that investments are made by both operators and non-operating working interests based upon the belief that there is a sole operator of a permanent spacing unit and that development based upon "first to file" would likely result in a flood of speculative permits and protective permits leading to an uncertain investment environment.

14. Slawson testified that multiple operators within a spacing unit would lead to competing development strategies that would negatively impact well life, the ultimate recovery of each well, and the rights of all owners as those different operators attempt to recover the same reserves and prevent drainage by a competing operator.

15. Slawson also testified that allowing wells to be drilled by multiple operators in a single spacing unit would increase surface disturbance since development would require multiple surface locations and rights-of-way for access and pipeline infrastructure. The inability to acquire multiple easements for gas gathering infrastructure could lead to more gas being flared and create uncertainty as to the volume of gas that an individual operator could commit to a gas purchaser.

BOARD ORDER NO. 48-2021

16. The Board's mandate to prevent waste does not require that oil or gas reserves be recovered from a spacing unit at a particular rate, but require that spacing units be established to prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights. Oil and gas leases entered into by the mineral owners and lessee may include additional requirements with regard to the timing of development.

17. While Bison argued that Slawson had failed to drill additional wells, at the time of the hearing, Slawson was operating the maximum number of wells allowed in the permanent spacing unit at issue in this case.

18. 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 allowing the drilling of additional wells within the permanent spacing unit would protect correlative rights, avoid the drilling of unnecessary wells, and prevent waste of oil and gas as required under § 82-11-201, MCA.

The Board further concludes that authorizing multiple operators to proceed with development of the same pool in an existing spacing unit will create uncertainty regarding future development, create conflict with interest owners, and negatively impact correlative rights under § 82-11-201, MCA. Allowing drilling activities by a second operator would also result in unnecessary surface disturbance that would run afoul of the Board's duty to prevent damage to surrounding land by drilling operations under § 82-1-111(2)(a), MCA.

Order

IT IS THEREFORE ORDERED by the Board that Docket 56-2021 is denied.

IT IS FURTHER ORDERED by the Board that authority is granted to drill up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the permanent spacing unit comprised of all of Sections 2 and 11, T26N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

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. 48-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman

\_\_\_\_\_  
Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

\_\_\_\_\_  
Jeff Wivholm, Board Member

ATTEST:

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

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

UPON THE APPLICATION OF BISON OIL AND GAS III, LLC FOR A PERMIT TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL IN SECTIONS 1, 12, AND 13, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA. PRIMA EXPLORATION, INC. HAS FILED PROTEST OF THIS APPLICATION IN ACCORDANCE WITH A.R.M. 36.22.601.

ORDER 49-2021

Docket No. 57-2021

UPON THE APPLICATION OF PRIMA EXPLORATION, INC. FOR PERMITS TO DRILL TWO HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS IN SECTIONS 1, 12, AND 13, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA. BISON OIL AND GAS III, LLC HAS FILED PROTEST OF THESE APPLICATIONS IN ACCORDANCE WITH A.R.M. 36.22.601.

Docket No. 58-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was absent. Member Corey Welter recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Dockets 57-2021 and 58-2021 were combined for hearing at the request of the applicants and both dockets pertained to the same lands.

3. Kelley Lewis and Jamie Jost, attorneys, appeared on behalf of Bison Oil and Gas III, LLC (Bison). Ms. Jost is an attorney licensed to practice in Colorado and was permitted to appear before the Board pro hac vice. Witnesses for Bison were Austin Akers, CEO, Robert Pierini, vice president of land and business development, Ian Hogan, vice president of geoscience, Elizabeth Wilson, senior staff reserves and business development engineer, and Abigail Wenk, corporate secretary and manager of compliance.

4. Loren J. O'Toole, II, attorney, appeared on behalf of Prima Exploration, Inc. (Prima), along with Sean Gallagher, land manager, Jeff Wingerter, consulting senior geologist, and David Rhodes, petroleum engineer.

BOARD ORDER NO. 49-2021

5. Zack Winfield with the Trust Land Minerals Management Bureau and Jack Wunder with the Bureau of Land Management (BLM) stated for the record that the ownership of the riverbed minerals will need to be determined.

6. Board Order 11-2020 issued at the April 30, 2020, public hearing authorized an additional well in the spacing unit comprised of Sections 1, 12, and 13, T26N-59E, with a 200' heel and toe and 500' lateral setback from spacing unit boundaries. At that time, it was determined two wells were necessary to properly drain the spacing unit and to protect correlative rights.

7. Bison proposed to drill only one well in the temporary spacing unit comprised of Sections 1, 12, and 13, T26N-59E. Notice of intent to apply for an application for permit to drill was filed by Bison in accordance with A.R.M. 36.22.601. Approval of the application for permit to drill was referred to the board upon the protest of Prima.

8. Prima proposed to drill two wells in the temporary spacing unit and notices of intent to apply for applications for permit to drill were filed by Prima in accordance with A.R.M. 36.22.601. Approval of the applications for permit to drill were referred to the board upon the protest of Bison.

9. The drilling of two wells as proposed by Prima is consistent with Board Order 11-2020 and will protect the lands within the spacing unit from drainage from offsetting spacing units or drilling activity in adjacent states.

10. Drilling a single well according to Bison's proposal would not drain the entire unit and would prevent the later drilling of a second well as authorized by Board Order 11-2020.

11. 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 drilling of two wells in the temporary spacing unit comprised of Sections 1, 12, and 13, T26N-59E is consistent with prior orders and with the requirements of § 82-11-201, MCA, including that drilling two wells would prevent waste and protect correlative rights. Prima's applications for permit to drill should therefore be approved.

Order

IT IS THEREFORE ORDERED by the Board that Docket 57-2021 is denied.

IT IS FURTHER ORDERED by the Board that staff approve Prima Exploration, Inc.'s applications to drill two horizontal Bakken/Three Forks Formation wells in Sections 1, 12, and 13, T26N-R59E, Richland and Roosevelt Counties, Montana.

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. 49-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member (recused)

\_\_\_\_\_  
Jeff Wivholm, Board Member

**I dissent**

\_\_\_\_\_  
Mac McDermott, 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 CAPSTAR DRILLING, INC., FKA ELENBURG EXPLORATION, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON THE MEISSNER 11-14, API # 25-051-21588, LOCATED IN THE SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION 14, T29N-R6E IN LIBERTY COUNTY, MONTANA.

ORDER 50-2021

Docket No. 62-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. No one appeared on behalf of Capstar Drilling, Inc., FKA Elenburg Exploration, Inc. (Capstar).

3. Chris Ellison, general manager of Capstar, stated to staff that the plugging contractor is scheduled to plug the Meissner 11-14 well this summer. Mr. Ellison requested additional time to plug the well.

4. Staff recommended the docket be continued to the August 12, 2021, public hearing and requested the authority to dismiss the docket if the well is plugged prior to the hearing.

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 Docket 62-2021 is continued until the August 12, 2021, public hearing.

IT IS FURTHER ORDERED that Board staff has the authority to dismiss the docket if the Meissner 11-14 well, API # 25-051-21588, located in the SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 14, T29N-R6E in Liberty County, Montana is plugged prior to the August 12, 2021, public hearing.

BOARD ORDER NO. 50-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 ANG HOLDING (USA) CORP. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, FOR WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS WELLS IN BLAINE COUNTY, MONTANA.

ORDER 51-2021

Docket No. 63-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. No one appeared on behalf of ANG Holding (USA) Corp. (ANG).

3. At the February 3, 2021, business meeting, ANG stated it was unable to raise funds for the operations of its wells. As a result, the wells have been shut-in and the company can no longer file the required production reports.

4. ANG filed production reports through February 2021. No later reports have been received, and ANG remains delinquent on reporting.

5. ANG did not appear at the April 8, 2021, public hearing.

6. 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 that ANG must begin to plug and abandon its wells in Blaine County, Montana prior to the August 12, 2021, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 51-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 YOUNG SANDERS E&P, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BEGIN TO PLUG AND ABANDON ITS STATE 16-16 WELL, API # 25-101-24084, LOCATED IN THE SE¼SE¼ OF SECTION 16, T35N-R1E, TOOLE COUNTY, MONTANA PRIOR TO THE JUNE 10, 2021, PUBLIC HEARING. FAILURE TO BEGIN TO PLUG AND ABANDON THE STATE 16-16 WELL MAY RESULT IN ADDITIONAL PENALTIES OR THE FORFEITURE OF THE PLUGGING AND RECLAMATION BOND IN ITS ENTIRETY, AS PERMITTED BY § 82-11-123(5), MCA.

ORDER 52-2021

Docket No. 64-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Young Sanders E&P, LLC (Young Sanders).
3. Young Sanders plugged the State 16-16 well prior to this hearing.
4. Staff recommended the docket be dismissed.
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 the respondent has 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 Docket 64-2021 is dismissed.

BOARD ORDER NO. 52-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 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, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE DECEMBER 3, 2020, PUBLIC HEARING.

ORDER 53-2021

Docket No. 52-2020

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Zeiders Bros. Oil & Gas, LLC (Zeiders).
3. Zeiders has not plugged the Rudolph Haynie 1-5 well but is in the process of reviewing well plugging bids.
4. Zeiders has an outstanding fine in the amount of \$11,500. This fine amount includes an \$8,500 balance from a daily fine that has been stopped and \$3,000 fine for failure to appear at the October 10, 2019, December 5, 2019, December 3, 2020, public hearings.
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 Docket 52-2020 is continued to the August 12, 2021, public hearing.

BOARD ORDER NO. 53-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 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.

ORDER 54-2021

Docket No. 71-2020

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Jessica Tyner, an heir of Keith Tyner, appeared telephonically as a witness for Pamect Oil, Keith E. Tyner DbA (Pamect).
3. Miss Tyner has been in contact with staff to address the compliance issues. Due to estate issues, Pamect requested additional time to come into compliance.
4. Lowrance-Tyner Operating (Lowrance-Tyner) has the same ownership as Pamect and has compliance issues for its saltwater disposal well. Lowrance-Tyner failed to maintain mechanical integrity on its well and failed to pay the \$200 annual well injection operating fee.
5. Pamect has an outstanding fine in the amount of \$440. This fine amount includes \$240 for delinquent production reporting and \$200 annual well injection operating fee.
6. Pamect remains delinquent on production reports from April 2020 to current.
7. Pamect and Lowrance-Tyner remains delinquent on injection reports from September 2020 to current.
8. In the previous 5 years, both companies did not have any compliance issues.

BOARD ORDER NO. 54-2021

9. 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 Pamect and Lowrance-Tyner is to appear at the August 12, 2021, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed to Pamect for delinquent reporting in the amount of \$240, and for failure to pay the outstanding \$200 annual injection well fee for both companies.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 KYKUIT RESOURCES, 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 FEBRUARY 4, 2021, PUBLIC HEARING.

ORDER 55-2021

Docket No. 36-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Kykuit Resources, LLC (Kykuit).
3. Kykuit has an outstanding fine in the amount of \$2,940. This fine amount includes \$940 for delinquent reporting and \$2,000 fine for failure to appear at the February 4, 2021, and April 8, 2021, public hearings.
4. Of Kykuit's 13 gas wells covered by its \$50,000 multiple well bond, 11 wells or 85 percent have been shut in for more than two years, including eight wells that have never reported commercial production.
5. According to the most recent production reports, Kykuit's eight federal wells are also all shut in.
6. 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. 55-2021

Order

IT IS THEREFORE ORDERED by the Board that Kykuit is fined \$1,000 for failure to appear at the June 10, 2021, public hearing.

IT IS FURTHER ORDERED that Kykuit must show cause at August 12, 2021, public hearing as to why additional penalties should not be applied for failure to submit production reports and failure to appear at the February 4, 2021, and April 8, 2021, public hearings and to provide a plan for reducing its plugging liability related to its non-producing wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, 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 ROLAND OIL  
AND GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY  
THEY SHOULD NOT BE REQUIRED TO PROVIDE A PLAN AND  
TIMELINE FOR THE PLUGGING AND ABANDONMENT OF ITS  
WELLS IN GLACIER AND PONDERA COUNTIES, MONTANA.

ORDER 56-2021

Docket No. 37-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 10, 2021, 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. Member Paul Gatzemeier was 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Roland Oil and Gas (Roland).
3. Prior to the hearing, delinquent production reports were submitted through April 2021.
4. Staff recommended that the docket be continued and payment of the outstanding fine in the amount of \$2,400 be deferred to the next hearing.
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 Docket 37-2021 is continued until the August 12, 2021, public hearing.

BOARD ORDER NO. 56-2021

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of June, 2021.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist