

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
August 11 & 12, 2021

NOTICE OF PUBLIC HEARING

(CONSERVATION AND PREVENTION
(OF WASTE OF OIL AND GAS

The Board will be returning to normal hearing procedures at the August hearing. Those planning on testifying or presenting should be present at the business meeting or hearing.

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, August 11, 2021, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Roll Call & Instructions
3. Approval of minutes of June 9, 2021, business meeting
4. Public comment on agenda and non-agenda items
5. Financial report
6. Bond summary & incident report
7. Docket summary
8. Gas flaring exceptions
9. Inactive well review
10. Attorney representation discussion
11. Staff reports
12. Other business
13. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, August 12, 2021, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. 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 65-2021

APPLICANT: EMPIRE NORTH DAKOTA LLC– RICHLAND COUNTY, MONTANA

Upon the application of **Empire North Dakota LLC** to pool all interests in the permanent spacing unit comprised of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 13, T24N-R58E, Richland County, Montana, for the production of oil and associated natural gas from the Duperow Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Ullman No. 2 well.

Docket 66-2021

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 3 and 10, T27N-R57E and all of Section 34, T28N-R57E, Roosevelt 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, provided that operations for the drilling of said well commence within one year of the date of the order issued by the Board. Applicant will apply for permanent spacing within 90 days of successful well completion. Applicant further requests that Board Order 39-2018 be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Doris 10-3 #1H well. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well.

Docket 67-2021

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to authorize the drilling of up to two additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 3 and 10, T27N-R57E and all of Section 34, T28N-R57E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal wells.

Docket 41-2021

Continued from June 2021

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to create a temporary spacing unit comprised of the E $\frac{1}{2}$ N $\frac{1}{4}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, T35N-R21E, Blaine County, Montana, to drill a Sawtooth Formation test well at any location not closer than 330' from the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

Docket 42-2021

Continued from June 2021

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to create a temporary spacing unit comprised of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, T35N-R21E, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6, T34N-R21E, Blaine County, Montana, to drill a Sawtooth Formation test well at any location not closer than 330' from the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

Docket 68-2021

APPLICANT: CLAY'S CONSULTING, LLC – YELLOWSTONE 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 Yellowstone County, Montana, identified in the application from **Western Meadowlark Resources, LLC to Clay's Consulting, LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 49-2021
Continued from June 2021

APPLICANT: DIGITAL OPERATING COMPANY LLC – RICHLAND, ROOSEVELT, SHERIDAN AND WIBAUX 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 7 wells in Richland County, 2 wells in Roosevelt County, 8 wells in Sheridan County, and one well in Wibaux County, Montana, identified in the application from **Abraxas Petroleum Corporation to Digital Operating Company LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 69-2021
SHOW-CAUSE HEARING

RESPONDENT: BRAINSTORM ENERGY, INC. – HILL COUNTY, MONTANA

Upon the Board's own motion to require **Brainstorm Energy, Inc.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$440.00. This docket will be dismissed if payment is received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Brainstorm Energy, Inc. to further penalties as prescribed by Board Policy.

Docket 70-2021
SHOW-CAUSE HEARING

RESPONDENT: AMERICAN MIDWEST OIL & GAS CORP. – TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **American Midwest Oil & Gas 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 \$220.00. 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 American Midwest Oil & Gas Corp. to further penalties as prescribed by Board Policy.

Docket 71-2021
SHOW-CAUSE HEARING

RESPONDENT: LYON, JOHN J. – TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **Lyon, John J.** to appear and show cause, if any it has, why additional penalties should not be considered for failure to comply with Board rules.

Docket 72-2021
SHOW-CAUSE HEARING

RESPONDENT: SUMMIT GAS RESOURCES, INC. – BIG HORN COUNTY, MONTANA

Upon the Board's own motion to require **Summit Gas Resources, Inc.** to appear and show cause, if any it has, why further penalties, which could include revocation of the injection permits, should not be imposed for failure to pay the annual injection well operating fee and associated fines, for the seven injection wells it operates in Big Horn County.

Docket 73-2021
SHOW-CAUSE HEARING

RESPONDENT: HIGHLANDS MONTANA CORPORATION – CUSTER COUNTY, MONTANA

Upon the Board's own motion to require **Highlands Montana Corporation** to appear and show cause, if any it has, why it should not begin to restore the location of the Helios 5-52 16-21 well, file missing completion data for the Helios 5-52 16-32 well, and begin to plug and abandon the Helios 5-52 16-22 well.

Docket 74-2021
SHOW-CAUSE HEARING

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 it should not 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.

Docket 75-2021
SHOW-CAUSE HEARING

RESPONDENT: PAMECT OIL, KEITH E. TYNER DBA AND LOWRANCE-TYNER OPERATING – PONDERA AND TETON COUNTIES, MONTANA

Upon the Board's own motion to require **Pamect Oil, Keith E. Tyner Dba and Lowrance-Tyner Operating** to appear 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.

Docket 76-2021
SHOW-CAUSE HEARING

RESPONDENT: KYKUIT RESOURCES, LLC – BLAINE AND FERGUS COUNTIES, 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 applied for failure to submit production reports, failure to pay the outstanding fine, failure to appear at the February 4, 2021, April 8, 2021, and June 10, 2021, public hearings and failure to provide a plan for reducing its plugging liability related to its nonproducing wells.

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, and for failure to pay the \$1,000 fine assessed for not appearing at the December 3, 2020, public hearing.

Docket 32-2021
SHOW-CAUSE HEARING
Continued from April 2021

RESPONDENT: FORWARD ENERGY, LLC – YELLOWSTONE COUNTY, MONTANA

Upon the Board's own motion to require **Forward Energy, LLC** 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 Yellowstone County, Montana.

Docket 37-2021
SHOW-CAUSE HEARING
Continued from April 2021

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 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.

Docket 62-2021
SHOW-CAUSE HEARING
Continued from June 2021

RESPONDENT: CAPSTAR DRILLING, INC., FKA ELENBURG EXPLORATION, INC. – LIBERTY, COUNTY, 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 SW¼NE¼SW¼ of Section 14, T29N-R6E in Liberty County, Montana. Staff has the authority to dismiss the docket if the Meissner 11-14 well is plugged and abandoned prior to August 12, 2021, hearing.

BOARD OF OIL AND GAS CONSERVATION

Erin Ricci
Administrative Assistant