

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 23-2021, WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 29 AND 32, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF SUCH WELLS MUST BE COMMENCED NOT LATER THAN APRIL 14, 2023.

ORDER 18-2022

Docket No. 25-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas 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 Board Order 23-2021 is hereby amended to provide that drilling operations must commence not later than April 14, 2023.

BOARD ORDER NO. 18-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 3 AND 10, T27N-R57E AND ALL OF SECTION 34, T28N-R57E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE GEORGE 10-3-34 #2H, BLINDA 10-3-34 #3H, AND JERI 10-3-34 #4H WELLS.

ORDER 19-2022

Docket No. 29-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.

3. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 57-2021. Additional wells were authorized within the temporary spacing unit by Board Order 58-2021. Applicant has completed the George 10-3-34 #2H, Blinda 10-3-34 #3H, and Jeri 10-3-34 #4H wells as producing wells.

4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 3 and 10, T27N-R57E and all of Section 34, T28N-R57E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that the George 10-3-34 #2H, Blinda 10-3-34 #3H, and Jeri 10-3-34 #4H wells are the authorized wells for said permanent spacing unit.

BOARD ORDER NO. 19-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 3 AND 10, T27N-R57E AND ALL OF SECTION 34, T28N-R57E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE GEORGE 10-3-34 #2H, BLINDA 10-3-34 #3H, AND JERI 10-3-34 #4H WELLS.

ORDER 20-2022

Docket No. 30-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.
3. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 19-2022.
4. The applicant has made a good-faith attempt to voluntarily pool the interests within the permanent spacing unit but has been unsuccessful.
5. All refusing owners were given proper and sufficient notice as required under § 82-11-202, MCA.
6. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

BOARD ORDER NO. 20-2022

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 3 and 10, T27N-R57E and all of Section 34, T28N-R57E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the George 10-3-34 #2H, Blinda 10-3-34 #3H, and Jeri 10-3-34 #4H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 15, 22, AND 27, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, 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. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL, AND APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 21-2022

APPLICANT REQUESTS THAT BOARD ORDER 41-2018 PERTAINING TO SECTIONS 15 AND 22, T27N-R57E, BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE FRED 15-22 #1H WELL AND THAT BOARD ORDER 38-2017 PERTAINING TO SECTIONS 27 AND 28, T27N-R57E, BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE FALLON 27-28 #1H WELL.

Docket No. 31-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.

BOARD ORDER NO. 21-2022

3. Sections 27 and 28, T27N-R57E, were designated a permanent spacing unit by Order 37-2017, and Bakken/Three Forks interests within the spacing unit were pooled by Order 38-2017. Sections 15 and 22, T27N-R57E, were designated a permanent spacing unit by Order 40-2018, and Bakken/Three Forks interests within the spacing unit were pooled by Order 41-2018.

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Fred 15-22 #1H and Fallon 27-28 #1H wells.

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 all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation wells anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

IT IS FURTHER ORDERED that the pooling order established by Board Order 41-2018 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Fred 15-22 #1H well, and the pooling order established by Board Order 38-2017 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Fallon 27-28 #1H well.

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

BOARD ORDER NO. 21-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO 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 15, 22, AND 27, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 22-2022

Docket No. 32-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.
3. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 21-2022.
4. Evidence presented at the time of the hearing supports the drilling of two additional horizontal Bakken/Three Forks interval wells in Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana.
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.

BOARD ORDER NO. 22-2022

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to two additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana, said wells to be located anywhere within said spacing unit 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 4, T27N-R57E AND ALL OF SECTIONS 28 AND 33, 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. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL, AND APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 23-2022

APPLICANT REQUESTS THAT BOARD ORDER 61-2014 PERTAINING TO SECTIONS 28 AND 33, T28N-R57E, BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE JAR 1-28H WELL, AND THAT ORDER 62-2014 WHICH AUTHORIZED ADDITIONAL WELLS IN THAT SPACING UNIT BE VACATED.

Docket No. 33-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.
3. Sections 28 and 33, T28N-R57E, were designated a permanent spacing unit by Order 60-2014, and Bakken/Three Forks interests within the spacing unit were pooled by Order 61-2014.

BOARD ORDER NO. 23-2022

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Jar 1-28H well.

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 all of Section 4, T27N-R57E and Sections 28 and 33, T28N-R57E, Roosevelt County, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation wells anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

IT IS FURTHER ORDERED that the pooling order established by Board Order 61-2014 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Jar 1-28H well.

IT IS FURTHER ORDERED that Board Order 62-2014 is hereby vacated.

BOARD ORDER NO. 23-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO 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 SECTION 4, T27N-R57E AND ALL OF SECTIONS 28 AND 33, T28N-R57E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 24-2022

Docket No. 34-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.
3. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 23-2022.
4. Evidence presented at the time of the hearing supports the drilling of two additional horizontal Bakken/Three Forks interval wells in Section 4, T27N-R57E and Sections 28 and 33, T28N-R57E, Roosevelt County, Montana.
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.

BOARD ORDER NO. 24-2022

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to two additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Section 4, T27N-R57E and Sections 28 and 33, T28N-R57E, Roosevelt County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 9, 16, 21, 28, T27N-R57E RICHLAND AND ROOSEVELT COUNTIES, 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. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL, AND APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 25-2022

APPLICANT REQUESTS THAT BOARD ORDER 38-2017 PERTAINING TO SECTIONS 27 AND 28, T27N-R57E, BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE FALLON 27-28 #1H WELL.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDER 41-2017, WHICH AUTHORIZED THE DRILLING OF A HORIZONTAL WELL AT AN EXCEPTION LOCATION IN THE STATEWIDE TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 16 AND 21, T27N-R57E, BE VACATED.

Docket No. 35-2022 / 2-2022 FED

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.

BOARD ORDER NO. 25-2022

3. Sections 27 and 28, T27N-R57E, were designated a permanent spacing unit by Order 37-2017, and Bakken/Three Forks interests within the spacing unit were pooled by Order 38-2017.

4. Kraken is the majority working interest owner in Sections the proposed overlapping temporary spacing unit and the operator of the Fallon 27-28 #1H well.

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 all of Sections 9, 16, 21, and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation wells anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

IT IS FURTHER ORDERED that the pooling order established by Board Order 38-2017 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Fallon 27-28 #1H well.

IT IS FURTHER ORDERED that Board Order 41-2017 is hereby vacated.

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 U.S. Department of the Interior prior to or upon completion of a producible well.

BOARD ORDER NO. 25-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 9, 16, 21, AND 28, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 26-2022

Docket No. 36-2022 / 3-2022 FED

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Justin Payne, landman, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC.
3. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 25-2022.
4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Sections 9, 16, 21, and 28, T27N-R57E, Richland and Roosevelt Counties, Montana.
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 Kraken Oil & Gas LLC is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 9, 16, 21, and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, said wells to be located anywhere within said spacing unit 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 U.S. Department of the Interior 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 14<sup>th</sup> day of April, 2022.

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 (absent)

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Joseph Michael Weber, Board Member

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

\_\_\_\_\_  
Jeff Wivholm, Board Member (absent)

ATTEST:

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

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

UPON THE APPLICATION OF LUSTRE OIL COMPANY, LLC TO RESCIND BOARD ORDER 5-2021 REMOVING A&S MINERAL DEVELOPMENT COMPANY, LLC AS THE RECOGNIZED OPERATOR OF 14 WELLS IDENTIFIED BELOW AND TO RECOGNIZE LUSTRE OIL COMPANY, LLC AS THE OPERATOR OF SAID WELLS.

ORDER 27-2022

<u>API #</u>	<u>WELL NAME</u>	<u>TOWNSHIP- RANGE</u>	<u>SECTION</u>	<u>LOCATION</u>
25-105-21235	C. REDDIG 2	31N-44E	30	SE $\frac{1}{4}$ SE $\frac{1}{4}$
25-105-21351	C. REDDIG 3	31N-44E	31	NE $\frac{1}{4}$ NE $\frac{1}{4}$
25-105-21311	D. OLFERT 2	31N-44E	33	SW $\frac{1}{4}$ NE $\frac{1}{4}$
25-105-21304	D. OLFERT "C" 3	31N-44E	29	SW $\frac{1}{4}$ SE $\frac{1}{4}$
25-105-21229	K. UNRAU TRUST 1	31N-44E	28	W $\frac{1}{2}$ NE $\frac{1}{4}$
25-105-21258	OLFERT "B" 1	31N-44E	33	SW $\frac{1}{4}$ SE $\frac{1}{4}$
25-105-21283	OLFERT "B" 2	31N-44E	33	NE $\frac{1}{4}$ SE $\frac{1}{4}$
25-105-21338	OLFERT "C" 1	31N-44E	29	SW $\frac{1}{4}$ SW $\frac{1}{4}$
25-105-21373	OLFERT "C" 2	31N-44E	29	NE $\frac{1}{4}$ SW $\frac{1}{4}$
25-105-21411	OLFERT "C" 4	31N-44E	29	NE $\frac{1}{4}$ SE $\frac{1}{4}$
25-105-21239	TIESZEN 1	30N-44E	11	NW $\frac{1}{4}$ NW $\frac{1}{4}$
25-105-21218	TIESZEN-TOEWS 1	30N-44E	3	NE $\frac{1}{4}$ NW $\frac{1}{4}$
25-105-21257	TIESZEN-TOEWS 2	30N-44E	3	SW $\frac{1}{4}$ NE $\frac{1}{4}$
25-105-21272	TIESZEN-TOEWS 3	30N-44E	3	SW $\frac{1}{4}$ NW $\frac{1}{4}$

Docket No. 39-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement. The Board having fully considered the testimony, statements, 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; all parties were afforded an opportunity to present arguments oral and documentary.
2. James Parrot, attorney, John Stafford, authorized agent, and Travis Leck, vice president of operations, appeared on behalf of Lustre Oil Company, LLC (Lustre).
3. Majel Russell and Heather Ready, attorneys, appeared on behalf of A&S Mineral Development Co., LLC (A&S) to protest the application.
4. On February 4, 2021, a hearing before the Board was held regarding a change of operator request from Anardarko Minerals, Inc. to A&S. Lustre appeared at the hearing in protest of the change of operator on the basis of unresolved mineral lease issues which were subject to pending litigation. The Board concluded determinations regarding ownership of mineral leases are not within the Board's jurisdiction as defined by § 82-11-111, MCA.

BOARD ORDER NO. 27-2022

5. Board Order 5-2021 was issued which set the plugging and reclamation bonding amount for A&S, and the change of operator request was approved after administrative review. Lustre did not file a request for rehearing within 20 days of the effective date of Order 5-2021, as required under § 82-11-143, MCA.

6. Under § 82-11-123(5), MCA, an operator must furnish a plugging and reclamation bond which the Board can forfeit for failure to properly plug and abandon its wells. A&S has not been ordered by the Board to plug its wells or been out of compliance with Board rules and regulations since the change of operator was administratively approved.

7. Lustre has not submitted a change of operator request for the wells in the application as required by ARM 36.22.1308(9) or put in place adequate bonding in accordance with ARM 36.22.1308(1) to assume the plugging and reclamation responsibility for the wells.

8. Lustre's application, submitted March 10, 2022, asked the Board to rescind its previous Order 5-2021, based solely on statements made by A&S in district court regarding sovereign immunity. Sovereign immunity does not have a direct impact on the Board's Order No. 5-2021.

9. Litigation between the parties regarding lease ownership was taken to district court and that court's decision is currently under appeal with the Montana Supreme Court.

10. 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

Determinations regarding ownership of mineral leases are not within the Board's jurisdiction as defined by § 82-11-111, MCA.

There was no actionable item for the Board's decision under Lustre's Application.

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 39-2022 is dismissed.

BOARD ORDER NO. 27-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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

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Mac McDermott, Board Member (absent)

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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 (absent)

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 DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T25N-R58E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE SUNDANCE KID #1H, SUNDANCE KID #2H, SUNDANCE KID #3H, AND SUNDANCE KID #4H WELLS.

ORDER 28-2022

Docket No. 92-2021

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were 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 were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Ron Solt, land manager, and Ren Gardner, drilling engineer, appeared on behalf of Prima Exploration, Inc.
3. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 380-2011. Additional wells were authorized within the temporary spacing unit by Board Order 39-2020. Applicant has completed the Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H wells as producing wells.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 13 and 24, T25N-R58E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H wells.

BOARD ORDER NO. 28-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member (recused)

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Jeff Wivholm, Board Member (absent)

ATTEST:

\_\_\_\_\_  
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 POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T25N-R58E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE SUNDANCE KID #1H SUNDANCE KID #2H, SUNDANCE KID #3H, AND SUNDANCE KID #4H WELLS.

ORDER 29-2022

Docket No. 93-2021

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were 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 were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, Ron Solt, land manager, and Ren Gardner, drilling engineer, appeared on behalf of Prima Exploration, Inc.
3. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 28-2022.
4. The applicant has made a good-faith attempt to voluntarily pool the interests within the permanent spacing unit but has been unsuccessful.
5. All refusing owners were given proper and sufficient notice as required under § 82-11-202, MCA.
6. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

BOARD ORDER NO. 29-2022

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 13 and 24, T25N-R58E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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

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Mac McDermott, Board Member (absent)

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member (recuse)

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Jeff Wivholm, Board Member (absent)

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 18 WELLS IN RICHLAND COUNTY, MONTANA, FROM COWRY ENTERPRISES, LTD. TO RIDGE ENERGY, LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA. A LIST OF THE WELLS IS AVAILABLE ONLINE OR IN THE BILLINGS OFFICE FOR REVIEW.

ORDER 30-2022

Docket No. 41-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. John Lee, attorney, appeared on behalf of Ridge Energy, LLC (Ridge Energy). Due to the weather, Cody Davis, president, was unable to attend but submitted an affidavit with testimony.
3. The Board and its staff reviewed Ridge Energy's change of operator request from Cowry Enterprises, Ltd.
4. Ridge stated that it plans to reclaim the three plugged and abandoned well locations by the end of 2022.
5. Ridge Energy proposed the equivalent bonding as the current operator. A \$50,000 multiple well plugging and reclamation bond that would cover 14 producing wells, and three \$10,000 UIC plugging and reclamation bonds for each of the three injection wells.
6. The Board determined that Ridge Energy proposed plugging and reclamation bonds are adequate and in accordance with ARM 36.22.1308(3).
7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 30-2022

Order

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

IT IS FURTHER ORDERED that staff will continue to monitor Ridge Energy's efforts to reclaim the Duperow Unit 7, RDU 5, and RDU 4 well locations.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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

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

UPON STAFF REQUEST FOR BOARD REVIEW OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR APPROXIMATELY 64 ORPHANED WELLS LOCATED IN TOOLE AND GLACIER COUNTIES, MONTANA, TO WELL DONE FOUNDATION, INC. A LIST OF THE WELLS IS AVAILABLE ONLINE OR IN THE BILLINGS OFFICE FOR REVIEW.

ORDER 16-2022

Docket No. 42-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Dockets 42-2022 and 46-2022 were combined for hearing since both dockets pertained to Well Done Foundation, Inc. (Well Done).
3. Rylee Sommers-Flanagan, attorney, Curtis Shuck, chairman, and Geoffrey Gordon-Creed, Ohio staff member, appeared on behalf of Well Done.
4. The Board and its staff reviewed Well Done's change of operator request of 58 orphan wells and the transfer request of Lynn Stewart's 13 wells.
5. There were issues with the initial well transfer requests of orphan wells, but the issues were resolved prior to this 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 taking the following action is appropriate.

Order

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

BOARD ORDER NO. 16-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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

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Mac McDermott, Board Member (absent)

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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 (absent)

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 BUTLER  
PETROLEUM LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS,  
WHY IT SHOULD NOT BE REQUIRED TO PLUG AND ABANDON  
ITS EPU 120 WELL, API # 25-085-21820, LOCATED IN THE SW¼NW¼  
OF SECTION 29, T29N-R51E, ROOSEVELT COUNTY, MONTANA.

ORDER 31-2022

Docket No. 43-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Butler Petroleum LLC (Butler Petroleum).
3. At the February 16, 2022, business meeting, Butler Petroleum was brought to the Board's attention for its EPU 120 inactive well that has not produced in over two years.
4. Poplar Resources LLC (Poplar Resources) has an interest in taking over ownership of the well and to incorporate it into its operations within the East Poplar field. Poplar Resources requested additional time to work out an agreement with Butler Petroleum.
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 43-2022 is continued until the June 16, 2022, public hearing.

IT IS FURTHER ORDERED that Butler Petroleum is fined \$1,000 for failure to appear at the April 14, 2022, public hearing.

BOARD ORDER NO. 31-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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

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Mac McDermott, Board Member (absent)

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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 (absent)

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 CREMER ENERGY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BE REQUIRED TO PLUG AND ABANDON ITS CREMER 2-24 WELL, API # 25-097-21064, LOCATED IN THE NW¼NE¼ OF SECTION 24, T4N-R14E, SWEETGRASS COUNTY, MONTANA.

ORDER 32-2022

Docket No. 44-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. Colby Branch, attorney, appeared on behalf of Cremer Energy, Inc. (Cremer Energy).

3. At the February 16, 2022, business meeting, Cremer Energy was brought to the Board's attention for its Cremer 2-24 inactive well that has not produced in over two years.

4. Cremer Energy owns the surface and minerals associated with the Cremer 2-24 well and does not want the well plugged. It wants to further test the well or use the well for domestic purposes.

5. Staff recommended the docket be dismissed.

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 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 44-2022 is dismissed.

BOARD ORDER NO. 32-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 HEAVY WATER HAULERS INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BE REQUIRED TO PLUG AND ABANDON ITS TRANEL 25-77 WELL, API # 25-065-21854, LOCATED IN THE SE¼SE¼ OF SECTION 25, T11N-R24E, MUSSELSHELL COUNTY, MONTANA.

ORDER 33-2022

Docket No. 45-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. Colby Branch, attorney, and Brian Tatman, president, appeared on behalf of Heavy Water Haulers Inc. (Heavy Water Haulers).

3. At the February 16, 2022, business meeting, Heavy Water Haulers was brought to the Board's attention for its Tranel 25-77 inactive well that has not produced in over two years.

4. Heavy Water Haulers filed a sundry notice with its intent to plug and abandon its well.

5. Heavy Water Haulers requested additional time to plug its well due to contractor availability.

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 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 45-2022 is dismissed with the expectation that the well will be plugged and the location reclaimed within 18 months of order.

BOARD ORDER NO. 33-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 LYNN STEWART  
TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD  
NOT BE REQUIRED TO PLUG AND ABANDON ITS WELLS IN  
TOOLE COUNTY, MONTANA.

ORDER 17-2022

Docket No. 46-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Dockets 42-2022 and 46-2022 were combined for hearing since both dockets pertained to Well Done Foundation, Inc. (Well Done).
3. At the February 16, 2022, business meeting, Lynn Stewart was brought to the Board's attention for its 13 inactive wells that have not produced in over two years.
4. Well Done submitted a change of operator request for Lynn Stewart's wells.
5. Staff recommended the docket be dismissed.
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 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 46-2022 is dismissed.

BOARD ORDER NO. 17-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 JANSSEN GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS WELLS IN POWDER RIVER COUNTY, MONTANA PRIOR TO THE APRIL 14, 2022, PUBLIC HEARING.

ORDER 34-2022

Docket No. 47-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Janssen Gas.
3. At the December 1, 2021, business meeting, Janssen Gas was brought to the Board's attention for its two inactive wells, Janssen 1 and Janssen 2, that have not produced in over two years.
4. Janssen Gas has been deemed unlocatable.
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 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 the plugging and reclamation bond for Janssen Gas is hereby forfeited.

BOARD ORDER NO. 34-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 POWDER RIVER GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS WELLS IN POWDER RIVER COUNTY, MONTANA PRIOR TO THE APRIL 14, 2022, PUBLIC HEARING.

ORDER 35-2022

Docket No. 48-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Powder River Gas, LLC (Powder River).
3. At the December 1, 2021, business meeting, Powder River was brought to the Board's attention for its two inactive wells, State of MT 41-36-4-A and State of MT 41-36-1, that have not produced in over two years.
4. Powder River has been deemed unlocatable.
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 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 the plugging and reclamation bond for Powder River is hereby forfeited.

BOARD ORDER NO. 35-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 POWERS ENERGY INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS JENSEN 1 WELL, API # 25-003-21202, LOCATED IN THE NW¼SE¼SE¼ OF SECTION 28, T9S-R39E, BIG HORN COUNTY, MONTANA PRIOR TO THE APRIL 14, 2022, PUBLIC HEARING.

ORDER 36-2022

Docket No. 49-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Powers Energy Inc. (Powers Energy).
3. At the December 1, 2021, business meeting, Powers Energy was brought to the Board's attention for its Jensen 1 inactive well that has not produced in over two years.
4. Powers Energy has been deemed unlocatable.
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 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 the plugging and reclamation bond for Powers Energy is hereby forfeited.

BOARD ORDER NO. 36-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 FORWARD ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON OR PRODUCE ITS WELLS IN YELLOWSTONE COUNTY, MONTANA PRIOR TO THE APRIL 14, 2022, PUBLIC HEARING.

ORDER 37-2022

Docket No. 50-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Forward Energy, LLC (Forward).
3. Forward has an outstanding fine in the amount of \$4,000 for failure to appear at the December 2, 2021, and February 17, 2022, public hearings.
4. Forward's three wells have been shut in for over two years.
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 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 the plugging and reclamation bonds for Forward are hereby forfeited.

BOARD ORDER NO. 37-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY VIOLATIONS AT ITS INDIAN MOUND 1 WELL, SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA.

ORDER 38-2022

Docket No. 108-2021

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Mr. Chris Blount, president, appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold). Mr. Blount was aware that legal counsel was required to represent the company but did not have an attorney present.
3. Per Board policy, because no duly licensed Montana attorney appeared to represent Black Gold, Black Gold has failed to appear at the hearing.
4. All outstanding field compliance issues have not been fully addressed.
5. Board Order 14-2022 established a \$250 per day fine beginning on March 4, 2022, for each day that Black Gold failed to fence, screen, and net the pit that contained oil. At the time of hearing the daily fine had reached \$10,250.
6. Black Gold has an outstanding fine of \$1,000 for failure to appear at the February 17, 2022, public hearing.
7. The total fines assessed against Black Gold is \$11,250.
8. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

BOARD ORDER NO. 38-2022

Order

IT IS THEREFORE ORDERED by the Board that Black Gold is fined \$1,000 for failure to appear at the April 14, 2022, public hearing.

IT IS FURTHER ORDERED that Docket 109-2021 is continued until the June 16, 2022, public hearing where additional penalties will be applied should the Indian Mount 1 well and location not be in full compliance with Board rules.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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

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Mac McDermott, Board Member (absent)

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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 (absent)

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RICHLAND FACILITY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY VIOLATIONS AT ITS VELMA SWD 1-10 WELL, SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA.

ORDER 39-2022

Docket No. 109-2021

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Mr. Chris Blount, president, appeared on behalf of Black Gold Energy Richland Facility, Inc. (Black Gold). Mr. Blount was aware that legal counsel was required to represent the company but did not have an attorney present.
3. Per Board policy, because no duly licensed Montana attorney appeared to represent Black Gold, Black Gold has failed to appear at the hearing.
4. At the time of hearing, the outstanding field compliance issues at the Velma SWD 1-10H well were not resolved prior to the hearing.
5. Black Gold has an outstanding fine of \$1,000 for failure to appear at the February 17, 2022, 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 taking the following action is appropriate.

BOARD ORDER NO. 39-2022

Order

IT IS THEREFORE ORDERED by the Board that Black Gold is fined \$1,000 for failure to appear at the April 14, 2022, public hearing.

IT IS FURTHER ORDERED that Docket 109-2021 is continued until the June 16, 2022, public hearing where additional penalties will be applied should the Velma SWD 1-10H well and location not be in full compliance with Board rules.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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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 (absent)

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 IT SHOULD NOT BEGIN TO PLUG AND ABANDON ITS WELLS IN GLACIER AND PONDERA COUNTIES, MONTANA PRIOR TO THE FEBRUARY 17, 2022, 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.

ORDER 40-2022

Docket No. 13-2022

Report of the Board

The above entitled cause came on regularly for hearing on April 14, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Mac McDermott and Jeff Wivholm were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. No appeared on behalf of Roland Oil and Gas (Roland).

3. Colby Branch, attorney, and Wayne Smith, geologist, represented LaMarsa Corp. who is the contractor operating Roland's wells.

4. Roland has an outstanding fine of \$4,400. This fine amount includes a \$400 penalty for delinquent reporting and \$4,000 for failure to appear at the August 6, 2020, December 3, 2020, August 12, 2021, and December 2, 2021, public hearings.

5. Mr. Branch stated there have been delays getting the company interests transferred due to estate issues and no one had authority to represent Roland during the period of time that the violations occurred. The wells are in compliance with all reporting requirements, and Mr. Branch requested that all fines be vacated and the docket be dismissed.

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 demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 40-2022

Order

IT IS THEREFORE ORDERED by the Board that the \$4,440 fine is waived.

IT IS FURTHER ORDERED that Docket 13-2022 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14<sup>th</sup> day of April, 2022.

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 (absent)

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Joseph Michael Weber, Board Member

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

\_\_\_\_\_  
Jeff Wivholm, Board Member (absent)

ATTEST:

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