

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
June 14 & 15, 2023

NOTICE OF PUBLIC HEARING

(CONSERVATION AND PREVENTION
(OF WASTE OF OIL AND GAS

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, June 14, 2023, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Public comment on agenda and non-agenda items
3. Approval of minutes of April 12, 2023, business meeting
4. Plugging and reclamation bond review
5. Review of Midway Energy, LLC reduction in plugging liability
6. Delinquent annual UIC fees
7. Financial report
8. Bond summary & incident report
9. Docket summary
10. Gas flaring exceptions
11. Inactive well review
12. Orphan well and federal grant update
13. Staff reports
14. Other business
15. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, June 15, 2023, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

Please take note that corporations, partnerships, limited-liability companies (LLCs), or any other legal entity that is not a natural person cannot appear before the Board of Oil and Gas Conservation except through an attorney licensed to practice law in the State of Montana. Failure of a designated and duly licensed legal representative to appear at the time and place identified in this hearing notice may result in imposition of sanctions for failure to appear before the Board.

Docket 52-2023

APPLICANT: HERITAGE ENERGY OPERATING, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Heritage Energy Operating, LLC** to create a temporary spacing unit comprised of all of Sections 3 and 4, 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. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 53-2023

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Alligator 23-26-35 #1H, Alligator 23-26-35 #2H, Alligator 23-26-35 #3H, and Alligator 24-25-36 #4H wells.

Docket 54-2023

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Alligator 23-26-35 #1H, Alligator 23-26-35 #2H, Alligator 23-26-35 #3H, and Alligator 24-25-36 #4H wells.

Docket 55-2023

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 30 and 31, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Katrina 30-31 #1H, Katrina 30-31 #2H, Katrina 30-31 #3H, and Katrina 30-31 #4H wells.

Docket 56-2023

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 30 and 31, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Katrina 30-31 #1H, Katrina 30-31 #2H, Katrina 30-31 #3H, and Katrina 30-31 #4H wells.

Docket 57-2023

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 29 and 32, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H, and Leah 29-32 #4H wells.

Docket 58-2023

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 29 and 32, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H, and Leah 29-32 #4H wells.

Docket 59-2023

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

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 1, 2, 11, and 12, T28N-R58E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between the temporary spacing unit comprised of all of Sections 2 and 11, T28N-R58E and the permanent spacing unit comprised of all of Sections 1 and 12, T28N-R58E, with a 200' heel/toe setback to the exterior boundaries thereof. Operations for the drilling of said well must 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.

Docket 60-2023

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

Upon the application of **Kraken Oil & Gas LLC** to create a temporary spacing unit comprised of all of Section 31, T26N-R58E, and all of Sections 6 and 7, T25N-R58E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well must commence within one year of the date of the order issued by the Board. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests to vacate Board Orders 205-2014 and 325-2014 that designated a temporary spacing unit comprised of all of Sections 6 and 7, T25N-R58E and authorized additional wells in that spacing unit.

Docket 61-2023

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, 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 temporary spacing unit comprised of all of Section 31, T26N-R58E, and all of Sections 6 and 7, T25N-R58E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 62-2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to authorize the drilling of up to three additional Nisku Formation wells anywhere within the permanent spacing unit comprised of all of Section 20, T35N-R1E, Toole County, Montana, but not closer than 330' (heel/toe setback) and 330' (lateral setback) to the exterior boundaries thereof.

Docket 63-2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to authorize the drilling of up to three additional Nisku Formation wells anywhere within the permanent spacing unit comprised of all of Section 27, T35N-R1E, Toole County, Montana, but not closer than 330' (heel/toe setback) and 330' (lateral setback) to the exterior boundaries thereof.

Docket 64-2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to authorize the drilling of up to three additional Nisku Formation wells anywhere within the permanent spacing unit comprised of all of Section 29, T35N-R1E, Toole County, Montana, but not closer than 330' (heel/toe setback) and 330' (lateral setback) to the exterior boundaries thereof.

Docket 65-2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to authorize the drilling of up to three additional Nisku Formation wells anywhere within the permanent spacing unit comprised of all of Section 34, T35N-R1E, Toole County, Montana, but not closer than 330' (heel/toe setback) and 330' (lateral setback) to the exterior boundaries thereof.

Docket 66-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to amend Board Order 80-2008 to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well anywhere within the permanent spacing unit comprised of all of Sections 13 and 24, T24N-R56E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 67-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well anywhere within the permanent spacing unit comprised of all of Sections 18 and 19, T24N-R57E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 68-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to amend the setbacks in Board Order 21-2009, which established an overlapping temporary spacing unit comprised of all of Sections 13 and 24, T24N-R56E and all of Sections 18 and 19, T24N-R57E, Richland County, Montana, from 660' heel/toe setback to 200' heel/toe setback to the exterior boundaries thereof. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 69-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to amend Board Order 60-2008 to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well anywhere within the permanent spacing unit comprised of all of Sections 5 and 8, T22N-R59E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 70-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to amend Board Order 67-2008 to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well anywhere within the permanent spacing unit comprised of all of Sections 17 and 18, T23N-R57E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 71-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to amend Board Order 90-2008 to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well anywhere within the permanent spacing unit comprised of all of Section 36, T26N-R53E and all of Section 1, T25N-R53E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 72-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 2, 3, 10, and 11, T22N-R59E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between the permanent spacing unit comprised of all of Sections 2 and 3, T22N-R59E and the permanent spacing unit comprised of all of Sections 10 and 11, T22N-R59E, with a 200' heel/toe setback to the exterior boundaries thereof. Operations for the drilling of said well must 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.

Docket 73-2023

APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the application of **White Rock Oil & Gas, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 6 and 7, T23N-R58E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well must 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.

Applicant requests that Board Order 2-2002 pertaining to the W½ in Section 5 and the E½ in 6, T23N-R58E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Dynneson #11X-5H well.

Applicant further requests that Board Order 254-2005 pertaining to the SW¼ in Section 6 and the W½ in 7, T23N-R58E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Norgaard #12-6H well.

Docket 31-2023
Continued from April 2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of all of Section 27, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Turner 27-1H well.

Docket 32-2023
Continued from April 2023

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of all of Section 29, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Grinde 29-1H well.

Docket 74-2023

APPLICANT: HB OIL, LLC – TOOLE COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 16 wells in Toole County, Montana, from **H&R Energy, LLC** to **HB Oil, 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.

Docket 46-2023
Continued from April 2023

APPLICANT: BLACK GOLD ENERGY SHERIDAN FACILITY, INC. – SHERIDAN COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for the Sheridan Facility SWD well, API # 25-091-21892, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, T33N-58E, Sheridan County, Montana, from **Cypress Energy Partners - Sheridan SWD, LLC** to **Black Gold Energy Sheridan Facility, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 75-2023

APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION – RICHLAND AND SHERIDAN COUNTIES, MONTANA

Upon the Board's own motion to require **Empire North Dakota LLC** to appear and provide an update of its actions taken to reduce its plugging liability.

Docket 76-2023
SHOW-CAUSE HEARING

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

Upon the Board's own motion to require **Brainstorm Energy, Inc.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and pay the administrative penalty assessed for delinquent production reporting. In accordance with Board policy the amount due now is \$420. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Brainstorm Energy, Inc. to further penalties as prescribed by Board Policy.

Docket 77-2023
SHOW-CAUSE HEARING

RESPONDENT: COLOSSUS OPERATING, LLC – DANIELS COUNTY, MONTANA

Upon the Board's own motion to require **Colossus Operating, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent production reporting. In accordance with Board policy the amount due now is \$160. This docket will be dismissed if payment is received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Colossus Operating, LLC to further penalties as prescribed by Board Policy.

Docket 78-2023
SHOW-CAUSE HEARING

RESPONDENT: HESLA OIL, LLC – TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **Hesla Oil, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and to pay the administrative penalty assessed for delinquent production and injection reporting. In accordance with Board policy the amount due now is \$120. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Hesla Oil, LLC to further penalties as prescribed by Board Policy.

Docket 79-2023
SHOW-CAUSE HEARING

RESPONDENT: RESERVE OPERATING CORP. – FALLON COUNTY, MONTANA

Upon the Board's own motion to require **Reserve Operating Corp.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent production reporting. In accordance with Board policy the amount due now is \$140. This docket will be dismissed if payment is received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Reserve Operating Corp. to further penalties as prescribed by Board Policy.

Docket 80-2023
SHOW-CAUSE HEARING

RESPONDENT: BRANDON OIL COMPANY – TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **Brandon Oil Company** to appear and show cause, if any it has, why it should not immediately plug and abandon its Turner 13-22 well, API # 25-101-22965, located in NWSW Section 22, T35N R1E and Tordale 42-21 well, API# 25-101-22755, located in SENE Section 21, T35N R1E in Toole County, Montana.

Docket 108-2021
SHOW-CAUSE HEARING
Continued from December 2021

RESPONDENT: BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC – RICHLAND COUNTY, 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.

BOARD OF OIL AND GAS CONSERVATION

Jennifer Breton, Program Specialist