

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 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.

ORDER 44-2023

Docket No. 53-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 79-2022. Additional wells were authorized within the overlapping temporary spacing unit by Board Order 80-2022. Applicant has completed the Alligator 23-26-35 #1H, Alligator 23-26-35 #2H, Alligator 23-26-35 #3H, and Alligator 24-25-36 #4H wells as producing wells.
4. No protest to the application of Kraken was made.
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. 44-2023

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 23, 24, 25, 26, 35, and 36, T25N-R59E, Richland 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 Alligator 23-26-35 #1H, Alligator 23-26-35 #2H, Alligator 23-26-35 #3H, and Alligator 24-25-36 #4H wells are the authorized wells for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 45-2023

Docket No. 54-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 44-2023.
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.
6. No protest to the application of Kraken was made.
7. 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. 45-2023

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T25N-R59E, 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 Alligator 23-26-35 #1H, Alligator 23-26-35 #2H, Alligator 23-26-35 #3H, and Alligator 24-25-36 #4H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 46-2023

Docket No. 55-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 104-2019. Additional wells were authorized within the overlapping temporary spacing unit by Board Order 22-2021. Applicant has completed the Katrina 30-31 #1H, Katrina 30-31 #2H, Katrina 30-31 #3H, and Katrina 30-31 #4H wells as producing wells.
4. No protest to the application of Kraken was made.
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. 46-2023

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 30 and 31, T25N-R59E, Richland 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 Katrina 30-31 #1H, Katrina 30-31 #2H, Katrina 30-31 #3H, and Katrina 30-31 #4H wells are the authorized wells for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 47-2023

Docket No. 56-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 46-2023.
4. At the time of hearing, the request to authorize recovery of non-consent penalties was withdrawn.
5. No protest to the application of Kraken was made.
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. 47-2023

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 30 and 31, T25N-R59E, 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 48-2023

Docket No. 59-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 2 and 11, T28N-R58E were designated a temporary spacing unit by Order 153-2010 and Sections 1 and 12, T28N-R58E were designated a permanent spacing unit by Order 181-2012.
4. No protest to the application of Kraken was made.
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 1, 2, 11, and 12, T28N-R58E, Roosevelt County, Montana, is designated an overlapping temporary spacing unit 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 but not closer than 200' (heel/toe 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 49-2023

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 No. 60-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. No protest to the application of Kraken was made.
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.

BOARD ORDER NO. 49-2023

Order

IT IS THEREFORE ORDERED by the Board that all of Section 31, T26N-R58E, and all of Sections 6 and 7, T25N-R58E, Richland County, Montana, is designated a temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said 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 Board Orders 205-2014 and 325-2014 are 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 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 50-2023

Docket No. 61-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 49-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Section 31, T26N-R58E and Sections 6 and 7, T25N-R58E, Richland County, Montana.
5. No protest to the application of Kraken was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 50-2023

Order

IT IS THEREFORE ORDERED by the Board that Kraken is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the temporary spacing unit comprised of all of Section 31, T26N-R58E and all of Sections 6 and 7, T25N-R58E, Richland 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.

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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 51-2023

Docket No. 62-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The lands described in the caption were designated a permanent spacing unit for production from the Nisku Formation by Montana Board of Oil and Gas Conservation Order 25-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional Nisku Formation wells in Section 20, T35N-R1E, Toole County, Montana.
5. At the time of hearing, Don Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 330' would be adequate for the proposed wells.
6. No protest to the application of Forza was made.
7. 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. 51-2023

Order

IT IS THEREFORE ORDERED by the Board that Forza is authorized to drill up to three additional Nisku Formation wells in the permanent spacing unit comprised of all of Section 20, T35N-R1E, Toole County, Montana, said wells to be located anywhere within said spacing unit but not closer than 330' (heel/toe setback) and 660' (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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 53-2023

Docket No. 63-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The lands described in the caption were designated a permanent spacing unit for production from the Nisku Formation by Montana Board of Oil and Gas Conservation Order 52-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional Nisku Formation wells in Section 27, T35N-R1E, Toole County, Montana.
5. At the time of hearing, Don Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 330' would be adequate for the proposed wells.
6. No protest to the application of Forza was made.
7. 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. 53-2023

Order

IT IS THEREFORE ORDERED by the Board that Forza is authorized to drill up to three additional Nisku Formation wells in the permanent spacing unit comprised of all of Section 27, T35N-R1E, Toole County, Montana, said wells to be located anywhere within said spacing unit but not closer than 330' (heel/toe setback) and 660' (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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 55-2023

Docket No. 64-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The lands described in the caption were designated a permanent spacing unit for production from the Nisku Formation by Montana Board of Oil and Gas Conservation Order 54-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional Nisku Formation wells in Section 29, T35N-R1E, Toole County, Montana.
5. At the time of hearing, Don Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 330' would be adequate for the proposed wells.
6. No protest to the application of Forza was made.
7. 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. 55-2023

Order

IT IS THEREFORE ORDERED by the Board that Forza is authorized to drill up to three additional Nisku Formation wells in the permanent spacing unit comprised of all of Section 29, T35N-R1E, Toole County, Montana, said wells to be located anywhere within said spacing unit but not closer than 330' (heel/toe setback) and 660' (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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 56-2023

Docket No. 65-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The lands described in the caption were designated a permanent spacing unit for production from the Nisku Formation by Montana Board of Oil and Gas Conservation Order 15-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional Nisku Formation wells in Section 34, T35N-R1E, Toole County, Montana.
5. At the time of hearing, Don Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 330' would be adequate for the proposed wells.
6. No protest to the application of Forza was made.
7. 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. 56-2023

Order

IT IS THEREFORE ORDERED by the Board that Forza is authorized to drill up to three additional Nisku Formation wells in the permanent spacing unit comprised of all of Section 34, T35N-R1E, Toole County, Montana, said wells to be located anywhere within said spacing unit but not closer than 330' (heel/toe setback) and 660' (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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 57-2023

Docket No. 66-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 200-2004. An additional well, which has not been drilled, was authorized within the permanent spacing unit with 660' setbacks by Board Order 80-2008.
4. No protest to the application of White Rock was made.
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. 57-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 80-2008 is amended to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well in the permanent spacing unit comprised of all of Sections 13 and 24, T24N-R56E, Richland County, Montana, said well 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 58-2023

Docket No. 67-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 310-2003. One additional well was authorized within the permanent spacing unit by Board Order 310-2003, which was drilled and is currently producing. A third additional well, which has not been drilled, was authorized within the permanent spacing unit by Board Order 87-2008.
4. At the time of hearing, Uriah Price, attorney for the applicant, clarified that the request was to amend the setbacks for the additional well authorized by Board Order 87-2008.
5. No protest to the application of White Rock was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 58-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 87-2008 is amended to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well in the permanent spacing unit comprised of all of Sections 18 and 19, T24N-R57E, Richland County, Montana, said well 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 59-2023

Docket No. 68-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
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 21-2009.
4. Evidence presented at the time of the hearing supports the 200' heel/toe setback to the exterior boundaries.
5. No protest to the application of White Rock was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 59-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 21-2009 is hereby amended to authorize a 200' heel/toe setback to the exterior boundaries thereof.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 60-2023

Docket No. 69-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).

3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 93-2006. An additional well, which has not been drilled, was authorized within the permanent spacing unit by Board Order 60-2008.

4. No protest to the application of White Rock was made.

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. 60-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 60-2008 is amended to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well in the permanent spacing unit comprised of all of Sections 5 and 8, T22N-R59E, Richland 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 61-2023

Docket No. 70-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 204-2004. An additional well was authorized within the permanent spacing unit by Board Order 1-2005, which was drilled and is currently producing. A second additional well, which has not been drilled, was authorized within the permanent spacing unit by Board Order 67-2008.
4. No protest to the application of White Rock was made.
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. 61-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 67-2008 is amended to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well in the permanent spacing unit comprised of all of Sections 17 and 18, T23N-R57E, Richland 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 62-2023

Docket No. 71-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 1-2007. An additional well, which has not been drilled, was authorized within the permanent spacing unit by Board Order 90-2008.
4. No protest to the application of White Rock was made.
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. 62-2023

Order

IT IS THEREFORE ORDERED by the Board that Board Order 90-2008 is amended to authorize the drilling of an additional horizontal Bakken/Three Forks Formation well in the permanent spacing unit comprised of all of Section 36, T26N-R53E and all of Section 1, T25N-R53E, Richland 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 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 63-2023

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 No. 73-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

2. Uriah Price, attorney, Chad Centorbi, land manger, Zack Swaney, geologist, and Steven Reker, reservoir engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).

BOARD ORDER NO. 63-2023

3. The W $\frac{1}{2}$ in Section 5 and the E $\frac{1}{2}$ in Section 6, T23N-R58E were designated a permanent spacing unit by Order 2-2002 and the SW $\frac{1}{4}$ in Section 6 and the W $\frac{1}{2}$ in Section 7, T23N-R58E were designated a permanent spacing unit by Order 254-2005.

4. No protest to the application of White Rock was made.

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 6 and 7, T23N-R58E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well from 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 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 permanent spacing unit established by Board Order 2-2002 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Dynneson #11X-5H well and the permanent spacing unit established by Board Order 254-2005 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Norgaard #12-6H well.

BOARD ORDER NO. 63-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 52-2023

Docket No. 31-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The E½W½ of Section 27, T35N-R1E, Toole County comprise a statewide temporary spacing unit for production from the Nisku Formation. Applicant has completed the Turner 27-1H well as a producing well.
4. No protest to the application of Forza was made.
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 27, T35N-R1E, Toole County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Nisku Formation.

IT IS FURTHER ORDERED that the Turner 27-1H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 52-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Jeff Wivholm, Board Member

I dissent

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

ORDER 54-2023

Docket No. 32-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, Gary Lee, president and petroleum engineer, and Eric Johnson, geophysicist and geologist appeared on behalf of Forza Operating, LLC (Forza).
3. The E½E½ of Section 29, T35N-R1E, Toole County comprise a statewide temporary spacing unit for production from the Nisku Formation. Applicant has completed the Grinde 29-1H well as a producing well.
4. No protest to the application of Forza was made.
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 29, T35N-R1E, Toole County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Nisku Formation.

IT IS FURTHER ORDERED that the Grinde 29-1H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 54-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR 16 WELLS IN 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.

ORDER 64-2023

Docket No. 74-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, and Stephen Habets, member, appeared on behalf of HB Oil, LLC (HB Oil).
3. The Board and its staff reviewed HB Oil's change of operator request from H&R Energy, LLC.
4. The Board determined that HB Oil's proposed \$24,000 limited well plugging and reclamation bond is adequate and in accordance with ARM 36.22.1308(3).
5. No protest to the application of HB Oil was made.
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 will provide the Board an update at the October 4, 2023, business meeting of HB Oil's progress to reduce its plugging liability.

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

BOARD ORDER NO. 64-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR THE SHERIDAN FACILITY SWD WELL, API # 25-091-21892, LOCATED IN THE SW¼SW¼ 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.

ORDER 67-2023

Docket No. 46-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, and Chris Blount, president, appeared on behalf of Black Gold Energy Sheridan Facility, Inc.
3. Board staff expressed concern about transferring the well when the sole owner, Chris Blount, has pending compliance issues through Docket 108-2021, regarding one other well he operates and is in violation of reporting requirements under ARM 36.22.1242(1) on both of his other wells.
4. 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

1. Pursuant to Admin. R. Mont. 36.22.1308(9), the Board administrator may "delay or deny any change of operator request if he determines that either the transferor or the transferee is not in substantial compliance with the board's statutes, rules, or orders."
2. The Board concludes that Mr. Blount is not in substantial compliance with the Board's statutes, rules, and orders.
3. The Board concludes that continuance of the change of operator request until the August 10, 2023, public hearing is appropriate.

BOARD ORDER NO. 67-2023

Order

IT IS THEREFORE ORDERED that Docket 46-2023 is continued until the August 10, 2023, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 65-2023

Docket No. 80-2023

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Brandon Oil Company (Brandon Oil).
3. At the April 12, 2023, business meeting, Brandon Oil was brought to the Board's attention for its Turner 13-22 well and Tordale 42-21 well that have not produced in over two years.
4. Brandon Oil responded that due to its financial conditions it is unable to plug the wells, but it would reclaim the existing pits, removal all the equipment, clean-up sites and restore the locations back to the natural contour.
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 Brandon Oil must begin to plug and abandon its Turner 13-22 well (API #101-22965) and Tordale 42-21 well (API #101-22755), located in Toole County, Montana, prior to the August 10, 2023, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 65-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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 66-2023

Docket No. 108-2021

Report of the Board

The above entitled cause came on regularly for hearing on June 15, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, and Chris Blount, president, appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold).
3. In June 2021, severe storms destroyed the building that housed a disposal pit at the upper portion of the Indian Mound 1 location leaving the pit open to the environment. The pit contained produced water, waste oil, and oil sludge.
4. A field inspection on September 15, 2021, discovered the open pit and other field compliance violations including:
 - contaminated soil around the location and at leaking tanks
 - scattered garbage and debris
 - used filter socks on the ground and in open dumpsters
 - weeds
5. A certified letter was sent to Black Gold on September 16, 2021, and delivered on September 18, 2021, addressing the field violations, with a deadline of the October 13, 2021, business meeting, to come into compliance or the matter would be discussed in front of the Board. Mr. Blount was also informed of the violations through a telephone call on September 21, 2021.
6. On the October 13, 2021, deadline, no work had been done to address the field violations, and Black Gold was ordered to appear at the December 2, 2021, public hearing.
7. At the December 2, 2021, public hearing, the violations remained unresolved. Black Gold failed to appear with legal counsel and the matter was continued to the February 17, 2022, public hearing.

BOARD ORDER NO. 66-2023

8. At the February 17, 2022, public hearing, Black Gold again failed to appear with legal counsel and was fined \$1,000. Board Order 14-2022 was issued that established a \$250 per day fine beginning on March 4, 2022, for each day that Black Gold failed to fence, screen, and net the open pit that contained oil as required by ARM 36.22.1223. The docket was continued to the April 14, 2022, public hearing.

9. At the April 14, 2022, public hearing, Black Gold again failed to appear with legal counsel and was fined \$1,000. Staff reported the pit was not fenced, screened or netted by March 4, 2022, and the \$250 per day daily fine was in effect. The docket was continued to the June 16, 2022, public hearing.

10. At the June 16, 2022, public hearing, Black Gold appeared with legal counsel and testified that it could achieve full compliance by August 1, 2022. Subsequent Board Order 60-2022 required Black Gold to be in full compliance by August 1, 2022.

11. By the August 18, 2022, public hearing, the pit had a roof constructed over it and no longer needed to be fenced, screened, and netted. The \$250 daily fine ceased as of August 17, 2022. Due to the pit not being fully contained within a building, it is required that an earthen dike be constructed to surround the pit in accordance with ARM 36.22.1102.

12. At the August 18, 2022, public hearing Black Gold was ordered to cease operations at the Indian Mound 1 well and to not transport additional fluids to the location until violations are remedied and compliance is confirmed by inspection. Board Order 88-2022 was issued that established a \$10,000 per day fine beginning on September 16, 2022, for each day that Black Gold failed to resolve the violations.

13. At the October 13, 2022, public hearing, Black Gold had several violations at the Indian Mound 1 well remaining. The earthen dike around the pit had yet to be finished, and there were still filter socks and contaminated soil on location.

14. Board Order 116-2022 was issued at the October 13, 2022, public hearing. Black Gold's outstanding fine of \$183,500 was reduced to the statutory maximum of \$125,000 and must be paid through a monthly payment plan of \$10,500 for twelve months with the first payment due January 3, 2023. Subsequent payments are due by February 1st, March 1st, April 3rd, May 1st, June 1st, July 3rd, August 1st, September 1st, October 2nd, November 1st, and December 1st. Payments were made for January, February, March, April, and May.

15. At the time of the June 15, 2023, public hearing, the field compliance issues were addressed; however, staff recommended Black Gold perform a mechanical integrity test prior to resumption of injection on the well and provide a site map listing tank contents. Additionally, it was noted that Black Gold was delinquent on monthly injection reports and the June fine payment.

16. Staff recommended an agreement be established between Black Gold and the Board, whereby Black Gold would voluntarily increase its reclamation bond from \$20,000 to \$40,000 and address the remaining site issues, and in exchange, the Board would reduce the total fine from \$125,000 to \$105,000 (\$42,000 remaining to be paid, assuming payment of the June fine), with payments suspended for the remainder of the 2023 calendar year. Black Gold's compliance with said Agreement, Board orders, and applicable law will be reviewed and the balance of the fine considered at the December 7, 2023, public hearing. Both parties agreed in principle to this arrangement, subject to the later drafting and execution of a written agreement.

17. 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.

BOARD ORDER NO. 66-2023

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board, subject to execution of the recommended written agreement between Black Gold and the Board, that the fine is reduced from \$125,000 to \$105,000 (\$42,000 remaining to be paid), with payments suspended for the remainder of the 2023 calendar year. If the agreement is not finally executed at or before the August 9, 2023, business meeting, the total fine shall revert to \$125,000 (\$62,000 remaining to be paid) and monthly payments shall resume on September 1, 2023. If the Agreement is timely executed, monthly payments on the reduced fine shall resume on January 1, 2024, unless the Board in its discretion orders otherwise at the December 7, 2023, public hearing.

IT IS FURTHER ORDERED that Docket 108-2021 is continued until the December 7, 2023, public hearing at which time compliance will be reviewed and a determination will be made concerning the remainder of the fine.

BOARD ORDER NO. 66-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of June, 2023.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist