

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
December 6 & 7, 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, December 6, 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 October 4, 2023, business meeting
4. Proposed adoption of the amendment of ARM 36.22.1242 pertaining to reports by producers, tax report, and tax rate and the reduction of the privilege and license tax
5. Financial report
6. Bond summary & incident report
7. Docket summary
8. Gas flaring exceptions
9. Inactive well review
10. Orphan well and federal grant update
11. Staff reports
12. Other business
13. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, December 7, 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 128-2023

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

Upon the application of **White Rock Oil & Gas, LLC** to approve and certify the following wells in Richland County, Montana, as horizontally recompleted wells (recompleted existing horizontal drain holes) entitled to applicable severance tax reductions through the Montana Department of Revenue and to certify production decline rates to be used in the calculation of incremental production. Staff notes this application is eligible for placement on the default docket.

API Number	Well Name	Location	Recompletion Date (Refrac)
25-083-22382	BR 41-33H 52	T25N-R52E-33	February 2023
25-083-22103	BR 14-29H	T24N-R54E-29	September 2023
25-083-22346	BR 34-13H 54	T25N-R54E-13	September 2023
25-083-22108	BR 41-19H	T25N-R53E-19	September 2023
25-083-22090	BR 44-15H 52	T25N-R52E-15	September 2023

Docket 129-2023

APPLICANT: EMEP OPERATING, LLC– RICHLAND COUNTY, MONTANA

Upon the application of **EMEP Operating, LLC** to approve and certify the following wells in Richland County, Montana, as horizontally recompleted wells (recompleted existing horizontal drain holes) entitled to applicable severance tax reductions through the Montana Department of Revenue and to certify production decline rates to be used in the calculation of incremental production. Staff notes this application is eligible for placement on the default docket.

API Number	Well Name	Location	Recompletion Date (Refrac)
25-083-22638	ANDERSEN 1-4H	22N-59E-4	September 2023
25-083-22431	BURNING TREE-PETEY 36-3-25-H	25N-54E-36	November 2022
25-083-22210	CAROLINE 1-32H	26N-53E-32	May 2023
25-083-22414	DORIGHT ALFRED 26-4H	25N-54E-26	September 2022
25-083-22178	DOUBLE V 1-21H	25N-53E-21	May 2023
25-083-22244	FOSS RANCH 1-34H	26N-53E-34	September 2023
25-083-22351	GABE 1-18H	23N-58E-18	June 2023
25-083-22249	HOEFLE 2-22H	25N-54E-22	August 2023
25-083-22315	IRIGOIN 2-23H	25N-53E-23	October 2023
25-083-21962	STEPPLER 14-21H	25N-54E-21	October 2023
25-083-22040	STOCKADE-GUNDERSON 2-7H	24N-54E-02	June 2023

Docket 130-2023

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 14, 23, and 26, T28N-R57E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well 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 to vacate Board Order 32-2011 that designated a temporary spacing unit comprised of all of Sections 13 and 14, T28N-R57E.

Applicant further requests to vacate Board Order 35-2011 that designated a temporary spacing unit comprised of all of Sections 23 and 26, T28N-R57E and that Order 423-2011 and 466-2011 that authorized an additional well and amended the setback in that spacing unit be vacated.

Docket 131-2023

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 24, and 25, T28N-R57E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well 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 Orders 125-2013 and 126-2013 pertaining to Sections 24 and 25, T28N-R57E be amended to clarify that said orders are limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Grindland 34X-25C well and that Order 127-2013 that authorized additional wells in that spacing unit be vacated.

Docket 132-2023

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 14, 23, 24, 25, and 26, T28N-R57E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well therein at any location not further than 500' from the common boundary between all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 14, 23, and 26, T28N-R57E with a 200' heel/toe 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.

Docket 133-2023

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 18, 19, and 30, T28N-R58E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well therein at any location not further than 500' from the common boundary between all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 18, 19, and 30, T28N-R58E with a 200' heel/toe 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.

Docket 81-2023
Continued from August 2023

APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Grayson Mill Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 3, 10, and 15, T28N-R59E, 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.

Applicant requests that Board Order 305-2012 pertaining to Sections 3 and 10, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 5-1003H well and that Order 306-2012 that authorized an additional well in that spacing unit be vacated.

Applicant requests that Board Order 620-2012 pertaining to Sections 15 and 22, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 3-1522H well and that Order 621-2012 that authorized an additional well in that spacing unit be vacated.

Docket 82-2023
Continued from August 2023

APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Grayson Mill Operating, LLC** to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 3, 10, and 15, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 83-2023
Continued from August 2023

APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Grayson Mill Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 22, 27, and 34, T28N-R59E, 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.

Applicant requests that Board Order 106-2014 pertaining to Sections 27 and 34, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 14-3427H well and that Order 107-2014 that authorized an additional well in that spacing unit be vacated.

Applicant further requests that Board Order 620-2012 pertaining to Sections 15 and 22, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 3-1522H well and that Order 621-2012 that authorized an additional well in that spacing unit be vacated.

Docket 84-2023
Continued from August 2023

APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Grayson Mill Operating, LLC** to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 22, 27, and 34, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 108-2023
Continued from October 2023

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to create a temporary spacing unit comprised of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, T32N-R19E, Blaine County, Montana, to drill an Eagle Formation test well at a proposed well location approximately 532' FSL and 925' FEL in Section 5, as an exception to A.R.M. 36.22.702(11). Applicant will apply for permanent spacing within 90 days of successful well completion. Applicant requests placement on the Default Docket.

Docket 109-2023
Continued from October 2023

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to create a temporary spacing unit comprised of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, T32N-R19E, Blaine County, Montana, to drill an Eagle Formation test well at a proposed well location approximately 2,277' FNL and 2,292' FEL in Section 8, as an exception to A.R.M. 36.22.702(11). Applicant will apply for permanent spacing within 90 days of successful well completion. Applicant requests placement on the Default Docket.

Docket 101-2023
Continued from August 2023

APPLICANT: WILDCAT FLUID SOLUTIONS LLC – RICHLAND 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 Indian Mound 1 well, API # 25-083-21377, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T23N-55E, Richland County, Montana, from **Black Gold Energy Resource Development, LLC to Wildcat Fluid Solutions LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 134-2023

APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION – CARBON, MUSSELSHELL, AND STILLWATER COUNTIES, MONTANA

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

Docket 135-2023
SHOW-CAUSE HEARING

RESPONDENT: YELLOWSTONE PETROLEUMS, INC. – CARBON, GLACIER, PONDERA, AND TOOLE COUNTIES, MONTANA

Upon the Board's own motion to require **Yellowstone Petroleum, Inc.** to appear and show cause, if any it has, why it should not immediately plug and abandon its wells in Carbon, Glacier, Pondera, and Toole Counties, 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.

Docket 18-2023
SHOW-CAUSE HEARING
Continued from February 2023

RESPONDENT: FAIRWAYS EXPLORATION & PRODUCTION, LLC– TETON COUNTY, MONTANA

Upon the Board's own motion to require **Fairways Exploration & Production, LLC** to appear and show cause, if any it has, why it should not immediately plug and abandon its States 1-21 well, API # 25-099-21314, located in the NW¼NW¼ of Section 21, T27N-R8W, Teton County, Montana.

Docket 104-2023
SHOW-CAUSE HEARING
Continued from August 2023

RESPONDENT: INTERSTATE EXPLORATIONS, LLC – DAWSON AND WIBAUX COUNTIES, MONTANA

Upon the Board's own motion to require **Interstate Explorations, LLC** to appear and show cause, if any it has, why it should not be required to provide a plan and timeline for the plugging and abandonment of its inactive wells in Dawson and Wibaux Counties, Montana.

Docket 124-2023
SHOW-CAUSE HEARING
Continued from October 2023

RESPONDENT: HEAVY WATER HAULERS INC.– MUSSELSHELL COUNTY, MONTANA

Upon the Board's own motion to require **Heavy Water Haulers Inc.** to appear and show cause, if any it has, why the Tranel 25-77 well, API # 25-065-21854, located in the SE¼SE¼ of Section 25, T11N-R24E, Musselshell County, Montana has not been plugged and the location reclaimed, as required by Board Order 33-2022.

BOARD OF OIL AND GAS CONSERVATION

Jennifer Breton, Program Specialist