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.

API	WELL NAME	LOCATIO	RECOMPLETION
NUMBER	WELL NAME	Ν	DATE (REFRAC)
25-083-22344	BR 11-14H 54	25N-54E-14	OCTOBER 2023
25-083-22022	HALVORSEN 31X-19	24N-57E-19	NOVEMBER 2023
25-083-21977	HILL 31X-28	24N-56E-28	NOVEMBER 2023
25-083-22673	JOE 31X-19	24N-57E-19	NOVEMBER 2023
25-083-22068	JOHNSON 34X-9	24N-56E-9	NOVEMBER 2023
25-083-21967	ROBERTS 21X-30	24N-55E-30	OCTOBER 2023

Docket No. 1-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. White Rock Oil & Gas, LLC (White Rock) requested the BR 11-14H 54 well be withdrawn from the application. A new application will be filed for this well at a later time.

3. No protest to the application of White Rock 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 ARM 36-22-1704 have been met.

ORDER 14-2024

# BOARD ORDER NO. 14-2024

# Order

IT IS THEREFORE ORDERED by the Board that the application of White Rock Oil & Gas, LLC is granted as applied for.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDERS 18-2020, 2-2022, AND 3-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 22, 27, AND 34, T26N-R59E MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 2-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

## Order

IT IS THEREFORE ORDERED by the Board that Board Orders 18-2020, 2-2022, and 3-2023 are hereby amended to provide that drilling operations must commence not later than February 15, 2025.

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.

ORDER 1-2024

# BOARD ORDER NO. 1-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 4-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4, 9, AND 16, T24N-R59E, RICHLAND COUNTY, MONTANA MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 3-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

## Order

IT IS THEREFORE ORDERED by the Board that Board Order 4-2023 is hereby amended to provide that drilling operations must commence not later than February 15, 2025.

ORDER 2-2024

# BOARD ORDER NO. 2-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 6-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5, 8, AND 17, T24N-R59E, RICHLAND COUNTY, MONTANA MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 4-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

#### Order

IT IS THEREFORE ORDERED by the Board that Board Order 6-2023 is hereby amended to provide that drilling operations must commence not later than February 15, 2025.

ORDER 3-2024

# BOARD ORDER NO. 3-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 8-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4, 5, 8, 9, 16, AND 17, T24N-R59E, RICHLAND COUNTY, MONTANA MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 5-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

#### Order

IT IS THEREFORE ORDERED by the Board that Board Order 8-2023 is hereby amended to provide that drilling operations must commence not later than February 15, 2025.

ORDER 4-2024

# BOARD ORDER NO. 4-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 9-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 35, T27N-R57E AND ALL OF SECTIONS 2 AND 11, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 6-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board that Board Order 9-2023 is hereby amended to provide that drilling operations must commence not later than February 15, 2025.

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.

ORDER 5-2024

# BOARD ORDER NO. 5-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 11-2023 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 36, T27N-R57E AND ALL OF SECTIONS 1 AND 12, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA MUST BE COMMENCED PRIOR TO FEBRUARY 15, 2025. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

Docket No. 7-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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.

#### Order

IT IS THEREFORE ORDERED by the Board that Board Order 11-2023 is hereby amended to provide that drilling operations must commence not later than February 15, 2025.

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.

**ORDER 6-2024** 

# BOARD ORDER NO. 6-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 15, 22, AND 27, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE FRED 15-22-27 #2H, FRED 15-22-27 #3H, AND FRED 15-22-27 #4H WELLS.

Docket No. 8-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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 21-2022. Additional wells were authorized within the overlapping temporary spacing unit by Board Order 22-2022. Applicant has completed the Fred 15-22-27 #2H, Fred 15-22-27 #3H, and Fred 15-22-27 #4H 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.

ORDER 7-2024

# BOARD ORDER NO. 7-2024

## Order

IT IS THEREFORE ORDERED by the Board that all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that the Fred 15-22-27 #2H, Fred 15-22-27 #3H, and Fred 15-22-27 #4H wells are the authorized wells for said permanent spacing unit.

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 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 15, 22, AND 27, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, 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 FRED 15-22-27 #2H, FRED 15-22-27 #3H, AND FRED 15-22-27 #4H WELLS.

Docket No. 9-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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 7-2024.

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.

ORDER 8-2024

# BOARD ORDER NO. 8-2024

# Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, 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 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 16 AND 21, 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 HARDY 16-21 #2H, HARDY 16-21 #3H, AND HARDY 16-21 #4H WELLS.

Docket No. 10-2024

#### Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. John Lee, attorney, Justin Payne, landman, and Samuel Fonsecca, 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 192-2007.

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.

## <u>Order</u>

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 16 and 21, 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.

ORDER 9-2024

# BOARD ORDER NO. 9-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

**ORDER 10-2024** 

UPON THE APPLICATION OF WHITE ROCK OIL & GAS, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T23N-R56E, 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. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

APPLICANT REQUESTS THAT BOARD ORDER 31-1991 PERTAINING TO THE W½ OF SECTION 13, T23N-R56E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE NEVINS 1-24HR WELL.

APPLICANT REQUESTS THAT BOARD ORDER 168-2004 PERTAINING TO THE E½ OF SECTION 13 AND THE N½ AND SW¼ OF SECTION 24, T23N-R56E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE NEVINS TRUST #41X-24 WELL.

APPLICANT FURTHER REQUESTS THAT STATEWIDE SPACING UNIT PERTAINING TO THE SE<sup>1</sup>/<sub>4</sub> SECTION 24, T23N-R56E BE AMENDED TO CLARIFY THAT SAID SPACING UNIT IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE PREVOST 1-24 WELL.

Docket No. 15-2024

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

### BOARD ORDER NO. 10-2024

2. Uriah Price, attorney, Chad Centorbi, land manager, Zack Swaney, geologist, and Shawna Bonini, operations engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).

3. The W<sup>1</sup>/<sub>2</sub> of Section 13, T23N-R56E was designated a permanent spacing unit by Order 31-1991. The E<sup>1</sup>/<sub>2</sub> of Section 13 and the N<sup>1</sup>/<sub>2</sub> and SW<sup>1</sup>/<sub>4</sub> of Section 24, T23N-56E, was designated a permanent spacing unit by Order 168-2004. The SE<sup>1</sup>/<sub>4</sub> of Section 24, T23N-R56E was designated spacing unit under statewide spacing rules.

4. White Rock is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Nevins 1-24HR and Nevins Trust #41X-24 wells. EMEP Operating, LLC is the operator of the Prevost 1-24 well.

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.

### Order

IT IS THEREFORE ORDERED by the Board that all of Sections 13 and 24, T23N-R56E, 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.

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 order established by Board Order 31-1991 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Nevins 1-24HR well; the permanent spacing order established by Board Order 168-2004 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Nevins Trust #41X-24 well; and the statewide spacing unit pertaining to the SE<sup>1</sup>/<sub>4</sub> Section 24, T23N-R56E is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Prevost 1-24 well.

# BOARD ORDER NO. 10-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF WHITE ROCK OIL & GAS, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 9, 10, 15, 16, 21, AND 22, T22N-R59E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION PROXIMATE TO THE COMMON BOUNDARY BETWEEN ALL OF SECTIONS 9, 16, AND 21, T22N-R59E AND ALL OF SECTIONS 10, 15, AND 22, T22N-R59E, WITH A 200' HEEL/TOE SETBACK TO THE EXTERIOR BOUNDARIES THEREOF. 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 No. 17-2024

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Uriah Price, attorney, Chad Centorbi, land manager, Zack Swaney, geologist, and Shawna Bonini, operations engineer, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).

3. Sections 9 and 16, T22N-R59E, was designated a permanent spacing unit by Order 262-2006, and Bakken/Three Forks interests within the spacing unit were pooled by Order 263-2006. Sections 21 and 28, T22N-R59E, was designated a permanent spacing unit by Order 4-2006, and Bakken/Three Forks interests within the spacing unit were pooled by Order 101-2006. Sections 15 and 22, T22N-R59E, was designated a permanent spacing unit by Order 92-2006, and Bakken/Three Forks interests within the spacing unit by Order 92-2006, and Bakken/Three Forks interests within the spacing unit were pooled by Order pooled 109-2008. Sections 10 and 11, T22N-R59E, was designated a permanent spacing unit by Order 24-2011.

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.

ORDER 11-2024

BOARD ORDER NO. 11-2024

## Conclusions of Law

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

#### Order

IT IS THEREFORE ORDERED by the Board that all of Sections 9, 10, 15, 16, 21, and 22, T22N-R59E, Richland 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 all of Sections 9, 16, and 21, T22N-R59E and all of Sections 10, 15, and 22, T22N-R59E, but not closer than 200' (heel/toe setback) to the exterior boundaries thereof.

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

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 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF EMEP OPERATING, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 16, 17, 20, AND 21, T25N-R53E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION PROXIMATE TO THE COMMON BOUNDARY BETWEEN ALL OF SECTIONS 17 AND 20 AND ALL OF SECTIONS 16 AND 21, T25N-R53E, WITH A 200' HEEL/TOE SETBACK TO THE EXTERIOR BOUNDARIES THEREOF. 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 No. 18-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Uriah Price, attorney, Kyle Dubiel, vice president of business development, land, and legal, and Michael DeKruif, vice president of engineering, appeared on behalf of EMEP Operating, LLC (EMEP).

3. Sections 17 and 20, T25N-R53E was designated a permanent spacing unit by Order 249-2004, Section 16, T25N-R53E was designed a permanent spacing unit by Order 329-2004, and Section 21, T25N-R53E was designed a permanent spacing unit by Order 128-2005.

4. No protest to the application of EMEP 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 12-2024

# BOARD ORDER NO. 12-2024

# Order

IT IS THEREFORE ORDERED by the Board that all of Sections 16, 17, 20, and 21, T25N-R53E, Richland 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 all of Sections 17 and 20 and all of Sections 16 and 21, T25N-R53E, but not closer than 200' (heel/toe setback) to the exterior boundaries thereof.

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 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF EMEP OPERATING, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 12 AND 13, T25N-R53E AND ALL OF SECTIONS 7 AND 18, T25N-R54E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION PROXIMATE TO THE COMMON BOUNDARY BETWEEN ALL OF SECTIONS 12 AND 13, T25N-R53E AND ALL OF SECTIONS 7 AND 18, T25N-R54E, WITH A 200' HEEL/TOE SETBACK TO THE EXTERIOR BOUNDARIES THEREOF. 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 No. 19-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Uriah Price, attorney, Kyle Dubiel, vice president of business development, land, and legal, and Michael DeKruif, vice president of engineering, appeared on behalf of EMEP Operating, LLC (EMEP).

3. Section 12 and the NE¼ and S½ of Section 13, T25N-R53E, was designated a permanent spacing unit by Order 145-2004. The NW¼ of Section 13, T25N-R53E, was designated spacing unit under statewide spacing rules. Sections 7 and 8, T25N-R54E, was designated a permanent spacing unit by Order 516-2005 and Bakken/Three Forks interests within the spacing unit were pooled by Order 177-2013. Section 18, T25N-R54E, was designated a permanent spacing unit by Order 89-2003.

4. No protest to the application of EMEP 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 13-2024

## BOARD ORDER NO. 13-2024

## Order

IT IS THEREFORE ORDERED by the Board that all of Sections 12 and 13, T25N-R53E and all of Sections 7 and 18, T25N-R54E, Richland 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 all of Sections 12 and 13, T25N-R53E and all of Sections 7 and 18, T25N-R54E, but not closer than 200' (heel/toe setback) to the exterior boundaries thereof.

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

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 15<sup>th</sup> day of February, 2024.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

ORDER 17-2024

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 AND 15-2011 FED 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 AND 14-2011 FED THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 23 AND 26, T28N-R57E AND THAT ORDER 423-2011, 13-2012 FED, 466-2011, AND 14-2011 FED AMENDMENT #1 THAT AUTHORIZED AN ADDITIONAL WELL AND AMENDED THE SETBACK IN THAT SPACING UNIT BE VACATED.

Docket No. 20-2024 / 6-2024 FED

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Jacob Haseman, attorney, Taylor Tytanic, landman, Tyler Gruenbacher, exploration geologist, and Austin McMillen, reservoir engineer, appeared on behalf of Continental Resources, Inc (Continental Resources).

3. Continental Resources is the majority working interest owner in the proposed temporary spacing unit.

# BOARD ORDER NO. 17-2024

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

# Conclusions of Law

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

## Order

IT IS THEREFORE ORDERED by the Board that all of Sections 14, 23, and 26, T28N-R57E, Roosevelt County, Montana, is designated a 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 Board Orders 32-2011, 35-2011, 423-2011, and 466-2011 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.

# BOARD ORDER NO. 17-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

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.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDER 32-2011 AND 15-2011 FED THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 14, T28N-R57E.

Docket No. 21-2024 / 7-2024 FED

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Jacob Haseman, attorney, Taylor Tytanic, landman, Tyler Gruenbacher, exploration geologist, and Austin McMillen, reservoir engineer, appeared on behalf of Continental Resources, Inc (Continental Resources).

ORDER 18-2024

#### BOARD ORDER NO. 18-2024

3. Sections 24 and 25, T28N-R57E, was designated a permanent spacing unit by Order 125-2013, and Bakken/Three Forks interests within the spacing unit were pooled by Order 126-2013.

4. Continental Resources is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Grindland 34X-25C well.

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

# Conclusions of Law

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

#### Order

IT IS THEREFORE ORDERED by the Board that all of Sections 13, 24, and 25, T28N-R57E, Roosevelt 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 125-2013 and the pooling order established by Board Order 126-2013 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Grindland 34X-25C well.

IT IS FURTHER ORDERED that Board Order 127-2013 and 32-2011 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.

# BOARD ORDER NO. 18-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

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 No. 22-2024 / 8-2024 FED

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. Jacob Haseman, attorney, Taylor Tytanic, landman, Tyler Gruenbacher, exploration geologist, and Austin McMillen, reservoir engineer, appeared on behalf of Continental Resources, Inc (Continental Resources).

3. Sections 13, 24, and 25, T28N-R57E was designated an overlapping temporary spacing unit by Order 18-2024 and Sections 14, 23, and 26, T28N-R57E was designated a temporary spacing unit by Order 17-2024. No wells have been drilled in these temporary spacing units.

4. Continental Resources testified it plans to drill multiple wells in the overlapping temporary spacing unit designated by Order 18-2024 and the temporary spacing unit designated by Order 17-2024 at the same time the proposed boundary well in this application is drilled; however, no applications to drill additional wells in those temporary spacing units have been filed or authorized at the time of this hearing.

ORDER 19-2024

# BOARD ORDER NO. 19-2024

5. Jordan Knudsen, attorney, appeared on behalf of mineral interest owners to oppose Docket 23-2024 / 9-2024 FED. Hearing no objection from Continental Resources, the Board allowed Mr. Knudsen to state his concerns since they were also relevant to this docket. Mr. Knudsen is concerned about the potential of production from one well holding six sections. He wants efficient drilling and wants to see the individual spacing units developed before an overlapping spacing unit is authorized for the drilling of a section line well between two spacing units.

6. Holding the mineral rights of six sections for a single well is not protective of correlative rights or in the interest of conservation of oil and gas.

7. The evidence presented at hearing did not establish that the proposed overlapping temporary spacing unit would promote orderly development of the area or that the exception location of the well was reasonably necessary.

# Conclusions of Law

The Board concludes that the applicant has not demonstrated that the requirements of § 82-11-201, MCA have been met.

## Order

# IT IS THEREFORE ORDERED by the Board that Docket 22-2024 is denied.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

ATTEST:

Jeff Wivholm, Board Member

UPON THE APPLICATION OF CLINE PRODUCTION COMPANY TO CONVERT THE KINCHELOE 7-19 WELL (API #25-087-21198) LOCATED IN THE SW¼NE¼ OF SECTION 19, T11N-R32E, ROSEBUD COUNTY, MONTANA (SUMATRA FIELD) TO AN ENHANCED RECOVERY INJECTION WELL IN THE TYLER B SAND AT A DEPTH OF APPROXIMATELY 4,548 – 4,614 FT. AN AQUIFER EXEMPTION HAS BEEN REQUESTED SINCE THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

Docket No. 24-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. No protest to the application of Cline Production Company was made.

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

### Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board that the application of Cline Production Company is granted as applied for subject to stipulations on the sundry notice.

ORDER 15-2024

# BOARD ORDER NO. 15-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE APPLICATION OF HYDRA MT, LLC TO CONVERT THE MIKE 10-1H SWD WELL (API #25-083-23455) AT A SURFACE LOCATION AT 404' FSL AND 1,066' FWL, IN THE SW¼SW¼ OF SECTION 10, T25N-R58E, AND A BOTTOM HOLE LOCATION AT 421' FSL AND 19' FWL, IN THE SW¼SW¼ OF SECTION 10, T25N-R58E A RICHLAND COUNTY, MONTANA (WILDCAT) TO A SALTWATER DISPOSAL WELL IN THE DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 4,943 – 5,893 FT TVD. AN AQUIFER EXEMPTION IS BEING REQUESTED SINCE THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

Docket No. 25-2024

## Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. No protest to the application of Hydra MT, LLC was made.

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

## Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

#### Order

IT IS THEREFORE ORDERED by the Board that the application of Hydra MT, LLC is granted as applied for subject to stipulations on the sundry notice.

ORDER 16-2024

# BOARD ORDER NO. 16-2024

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE BOARD'S OWN MOTION TO REQUIRE BOOTSTRAP OIL LLC APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT PRODUCTION AND INJECTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$220. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS BOOTSTRAP OIL LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

Docket No. 27-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. No one appeared on behalf of Bootstrap Oil LLC.

3. Bootstrap Oil LLC has not filed the delinquent reports or paid the outstanding fine of \$220 assessed for delinquent reporting.

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

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 20-2024

# BOARD ORDER NO. 20-2024

# Order

IT IS THEREFORE ORDERED that Bootstrap Oil LLC is fined \$1,000 for failure to appear at the February 15, 2024, public hearing.

IT IS FURTHER ORDERED that Bootstrap Oil LLC is to appear at the April 11, 2024, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the February 15, 2024, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY OIL COMPANY APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT PRODUCTION AND INJECTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$500. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW HEARING OR TO CAUSE MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HAWLEY OIL COMPANY TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

Docket No. 28-2024

# Report of the Board

The above entitled cause came on regularly for hearing on February 15, 2024, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Members Paul Gatzemeier and Roy Brown were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

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

2. No one appeared on behalf of Hawley Oil Company.

3. Hawley Oil Company has not filed the delinquent reports or paid the outstanding fine of \$500 assessed for delinquent reporting.

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

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 21-2024

# BOARD ORDER NO. 21-2024

# Order

IT IS THEREFORE ORDERED that Hawley Oil Company is fined \$1,000 for failure to appear at the February 15, 2024, public hearing.

IT IS FURTHER ORDERED that Hawley Oil Company is to appear at the April 11, 2024, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the February 15, 2024, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15<sup>th</sup> day of February, 2024.

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

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman (absent)

Roy Brown, Board Member (absent)

Mac McDermott, Board Member

W. John Tietz, Board Member

Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST: