

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

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC.  
TO AUTHORIZE THE CONTINUATION OF THE PILOT ENHANCED  
CLASS II RECOVERY PROJECT FOR THE STACI 3-11H WELL  
LOCATED IN THE PERMANENT SPACING UNIT COMPRISED OF  
ALL OF SECTIONS 11 AND 14, T23N-R55E, RICHLAND COUNTY,  
MONTANA FOR AN ADDITIONAL 18 MONTHS.

ORDER 133-2015

Docket No. 128-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Continental Resources, Inc. is authorized to continue a pilot enhanced recovery project in the Bakken Formation involving all of Sections 11 and 14, T23N-R55E, Richland County, Montana.

IT IS FURTHER ORDERED that the injection period authorized under this order is limited to 18 months from the date injection resumes.

BOARD ORDER NO. 133-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION,  
INC. TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED  
OF SE¼ OF SECTION 22, T34N-R20E, BLAINE COUNTY,  
MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM  
THE EAGLE FORMATION WITH RESPECT TO THE SE BATTLE 15-  
22 WELL.

ORDER 134-2015

Docket No. 123-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a temporary spacing unit for production from the Eagle Formation by Montana Board of Oil and Gas Conservation Order 191-2005. Applicant has completed the SE Battle 15-22 well as a producing well.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SE¼ of Section 22, T34N-R20E, Blaine County, Montana, is designated a permanent spacing unit for production of natural gas from the Eagle Formation from the SE Battle 15-22 well.

BOARD ORDER NO. 134-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF DECKER OPERATING COMPANY,  
L.L.C TO ESTABLISH A PERMANENT SPACING UNIT FOR THE  
PRODUCTION OF NATURAL GAS FROM THE BOWDOIN  
FORMATION WITH RESPECT TO THE MLFU #2379-1 WELL  
LOCATED IN SECTION 23, T37N-R29E, PHILLIPS COUNTY,  
MONTANA,.

ORDER 135-2015

Docket No. 124-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. Applicant was authorized to drill the MLFU #2379-1 well as an exception to statewide well location requirements by Montana Board of Oil and Gas Conservation Order 24-2010. Applicant has completed the well as a producing well.
3. The federal government is the mineral owner in all of Section 23.
4. Evidence presented at the time of the hearing supports the designation of four 160 acres spacing units in Section 23, T37N-R29E, Phillips County, Montana for production of natural gas from the Bowdoin Formation with one well per spacing unit.
5. The evidence indicates that granting the application in the manner hereinafter set forth 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

BOARD ORDER NO. 135-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that SE¼ of Section 23, T37N-R59E, Phillips County, Montana, is designated a permanent spacing unit for production of natural gas from the Bowdoin Formation from the MLFU #2379-1 well.

IT IS FURTHER ORDERED that the NE¼, SW¼, and NW¼ of Section 23, T37N-R59E, Phillips County, Montana, are each designated permanent spacing units for production of natural gas from the Bowdoin Formation with a 990-foot setback from the exterior boundaries of said section.

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 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF DECKER OPERATING COMPANY,  
L.L.C TO DESIGNATE A PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTION 24, T37N-R29E, PHILLIPS  
COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS  
FROM THE BOWDOIN FORMATION WITH RESPECT TO THE  
MLFU #2479-1 WELL.

ORDER 136-2015

Docket No. 125-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. Applicant has completed the MLFU #2479-1 well as a producing well.
3. The federal government is the mineral owner in all of Section 24.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 24, T37N-R29E, Phillips County, Montana, is designated a permanent spacing unit for production of natural gas from the Bowdoin Formation from the MLFU #2479-1 well.

BOARD ORDER NO. 136-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist



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

UPON THE APPLICATION OF DECKER OPERATING COMPANY,  
L.L.C. TO DRILL AN ADDITIONAL BOWDOIN FORMATION  
NATURAL GAS WELL WITHIN THE PERMANENT SPACING UNIT  
COMPRISED OF ALL OF SECTION 24, T37N-R29E, PHILLIPS  
COUNTY, MONTANA

ORDER 137-2015

Docket No. 126-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a permanent spacing unit for production from the Bowdoin Formation by Montana Board of Oil and Gas Conservation Order 136-2015.
3. Evidence presented at the time of the hearing supports the drilling of three additional Bowdoin Formation natural gas wells in Section 24, T37N-R29E, Phillips County, Montana.
4. The evidence indicates that granting the application in the manner hereinafter set forth 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Decker Operating Company is authorized to drill up to three additional Bowdoin Formation natural gas wells in the permanent spacing unit comprised of all of Sections 24, T37N-R29E, Phillips County, Montana.

IT IS FURTHER ORDERED that said wells may be located anywhere within said spacing unit but not closer than 990' to the exterior boundaries thereof.

BOARD ORDER NO. 137-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF WEIL GROUP RESOURCES, LLC TO DRILL A RED RIVER FORMATION NATURAL GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 1,050' FNL AND 600' FEL IN SECTION 10, T33N-R9E, HILL COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702(11). APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 138-2015

Docket No. 127-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Weil Group Resources is authorized to drill a Red River Formation natural gas test well at the proposed location of approximately 1,050' FNL and 600' FEL in Section 10, T33N-R9E, Hill County, Montana, as an exception to A.R.M. 36.22.702(11).

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

BOARD ORDER NO. 138-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF XTO ENERGY INC. TO DESIGNATE  
A PERMANENT SPACING UNIT COMPRISED OF ALL OF  
SECTIONS 16 AND 21, T24N-R56E, RICHLAND COUNTY,  
MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED  
NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION  
WITH RESPECT TO THE ELAINE #34X-21BXC WELL.

ORDER 139-2015

Docket No. 118-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 20-2009. Applicant has completed the Elaine #34X-21BXC well as a producing well.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 16 and 21, T24N-R56E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Elaine #34X-21BXC well.

BOARD ORDER NO. 139-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF XTO ENERGY INC. TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 16 AND 21, T24N-R56E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE ELAINE #34X-21BXC WELL.

ORDER 140-2015

Docket No. 119-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 139-2015.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-202, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 16 and 21, T24N-R56E, 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.

BOARD ORDER NO. 140-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist



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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 192-2012 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, T27N-R57E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 141-2015

Docket No. 129-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

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. 141-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO VACATE BOARD ORDERS 442-2011, 93-2011, 214-2010, AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 25 AND 26, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 142-2015

Docket No. 130-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

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. 142-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO VACATE BOARD ORDERS 442-2011, 93-2011, 214-2010, AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 35 AND 36, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 143-2015

Docket No. 131-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

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. 143-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO VACATE BOARD ORDERS 94-2011, 410-2011, AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 27 AND 28, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 144-2015

Docket No. 132-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

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. 144-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist



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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO VACATE BOARD ORDERS 94-2011, 410-2011, AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 33 AND 34, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 145-2015

Docket No. 133-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

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. 145-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF LEGACY RESERVES OPERATING, LP, TO CONVERT THE GOVERNMENT MCGHEE 1A WELL (API #25-021-05146) LOCATED IN THE NE¼SE¼ OF SECTION 22, T17N-R53E, DAWSON COUNTY, MONTANA (DEER CREEK FIELD) TO A CLASS II SALTWATER DISPOSAL WELL IN THE DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 4460 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 146-2015

Docket No. 134-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Legacy Reserves Operating, LP is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 146-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF SLAWSON EXPLORATION COMPANY INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION 13, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> OF SECTION 14, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 23 AND NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 24, T21N-R59E, RICHLAND COUNTY, MONTANA, TO RECOMPLETE THE PILUM #1-24H WELL, LOCATED APPROXIMATELY 250' FNL, 350' FWL IN SECTION 24, AS A TYLER FORMATION WELL. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 147-2015

Docket No. 135-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Slawson Exploration Company Inc. is granted as applied for.

BOARD ORDER NO. 147-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF SYNERGY OFFSHORE, LLC (DBA SOG RESOURCES), TO DRILL THE X-703B WELL IN THE NE¼SE¼ OF SECTION 3, T34N-R6W, GLACIER COUNTY, MONTANA (CUT BANK FIELD) AS A CLASS II ENHANCED OIL RECOVERY INJECTION WELL IN THE CUT BANK FORMATION AT A DEPTH OF APPROXIMATELY 2800 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 148-2015

Docket No. 139-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of SOG Resources is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 148-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist



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

UPON THE APPLICATION OF SYNERGY OFFSHORE, LLC (DBA SOG RESOURCES), TO DRILL THE P635B WELL IN THE NW¼SE¼ OF SECTION 35, T35N-R6W, GLACIER COUNTY, MONTANA (CUT BANK FIELD) AS A CLASS II ENHANCED OIL RECOVERY INJECTION WELL IN THE CUT BANK FORMATION AT A DEPTH OF APPROXIMATELY 2,800 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 149-2015

Docket No. 116-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Synergy Offshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 149-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

\_\_\_\_\_  
Paul Gatzemeier, Board Member

\_\_\_\_\_  
Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF SYNERGY OFFSHORE, LLC (DBA SOG RESOURCES), TO DRILL THE R602 WELL IN THE NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 2, T34N-R6W, GLACIER COUNTY, MONTANA (CUT BANK FIELD) AS A CLASS II ENHANCED OIL RECOVERY INJECTION WELL IN THE CUT BANK FORMATION AT A DEPTH OF APPROXIMATELY 2,800 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 150-2015

Docket No. 117-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Synergy Offshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 150-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

\_\_\_\_\_  
Wayne Smith, Vice-Chairman

\_\_\_\_\_  
Steven Durrett, Board Member

\_\_\_\_\_  
Ronald S. Efta, Board Member

\_\_\_\_\_  
Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE KELLY OIL AND GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND COVERING THE STATE E-2 WELL SHOULD NOT BE FORFEITED AND WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY \$3,120.00 IN CURRENT PENALTIES AND FEES, FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY ON THE STATE #1, STATE E-2, AND SHELHAMER 1A INJECTION WELLS, FOR FAILURE TO INITIATE A REMEDY FOR THE FIELD VIOLATIONS PRIOR TO THE MAY 21, 2015 HEARING DEADLINE FOR THE STENSVAD 2X-25 AND DYBVIK KV-1 WELLSITES, FOR FAILURE TO RESPOND TO PRIOR SHOW-CAUSE ORDERS, AND FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS.

ORDER 151-2015

Docket No. 95-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. Kelly Gebhardt appeared on behalf of Kelly Oil and Gas, LLC (Kelly) and requested the Board work with Kelly to resolve the issues.
3. Staff recommended no additional fines be assessed to Kelly, as long as it pays the annual injection fee for its three permitted injection wells, the late fees previously assessed for nonpayment, and the \$1,000 fine. The total due for these violations is \$1,900.
4. The field violations for the Dybvik KV1 and Stensvad 2X-25 have yet to be remedied. The Dybvik KV1 production pit contains oil and there is pooled oil and oil saturated soil around the base of the treater at the Stensvad 2X-25 location. In addition, a number of wells operated by Kelly do not have proper well identification signs.
5. Kelly has not paid the outstanding non-UIC related fines that were assessed for not appearing at the April 30, 2015 public hearing to address its violations and the administrative penalty assessed for failure to file production reports. The total due is \$1,220.
6. Delinquent production and injection reports have been submitted.
7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

BOARD ORDER NO. 151-2015

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Kelly Oil and Gas, LLC appear at the October 29, 2015 public hearing and show-cause, if any it has, why its UIC bond should not be forfeited for failure to properly maintain mechanical integrity of the State E-2 injection well.

IT IS FURTHER ORDERED that Kelly Oil and Gas, LLC pay the outstanding fine of \$1,900.00 by October 29, 2015.

IT IS FURTHER ORDERED that Kelly Oil and Gas, LLC remedy the field violations by October 29, 2015.

IT IS FURTHER ORDERED the outstanding non-UIC related fine of \$1,220 be continued until the October 29, 2015 Board hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE ALTURAS ENERGY LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR THE PLUGGING OF ITS WELLS, AND FOR FAILURE TO PAY THE FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S APRIL 30, 2015 HEARING.

ORDER 152-2015

Docket No. 96-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. Martin Cox appeared on behalf of Alturas Energy LLC (Alturas) to give a progress report for its Degr 29-44, Bass Marker 20-33, Scheetz 21-1, Andrew Petersen 28-1, and Sundheim 14-15 wells. It was reported no field violations were remedied and no Sundry Notices were submitted by August 1, 2015 for wells intended to be plugged.
3. Alturas paid the outstanding fine of \$1,000 and filed delinquent reports.
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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

BOARD ORDER NO. 152-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 96-2015 is continued until the October 29, 2015 public hearing.

IT IS FURTHER ORDERED that Alturas Energy LLC come into full compliance with field violations and submit Sundry Notices for proposed well work, including any proposed abandonments, prior to the Board's October hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist



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

UPON THE BOARD'S OWN MOTION TO REQUIRE PRIDE ENERGY COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG THE MABLE WILSON 1 WELL LOCATED IN T27N-R59E, SECTION 33, ROOSEVELT COUNTY, MONTANA AND RESTORE THE LOCATION.

ORDER 153-2015

Docket No. 120-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Pride Energy Company (Pride).
3. Pride notified the Board a contract is in place to plug and abandon the Mable Wilson 1 well on August 18, 2015.
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 of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 120-2015 is continued until the October 29, 2015 public hearing.

IT IS FURTHER ORDERED Docket 120-2015 be dismissed upon the completion of the plugging and abandonment of the Mable Wilson 1 well.

BOARD ORDER NO. 153-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE CUSTOM CARBON PROCESSING, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO MAINTAIN THE WELLSITES OF THE WOJAHN A 5-2 WELL LOCATED IN SECTION 2, T13N-R60E, AND THE MICHELS A 8-3 WELL LOCATED IN SECTION 3, T13N-R60E, WIBAUX COUNTY, MONTANA.

ORDER 154-2015

Docket No. 121-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was absent. Member Ronald S. Efta recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Custom Carbon Processing, Inc..
3. No violations were remedied on the Wojahn A 5-2 well and the Michels A 8-3 well.
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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

BOARD ORDER NO. 154-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Custom Carbon Processing, Inc. appear at the October 29, 2015 public hearing and show-cause, if any it has, why its plugging and reclamation bonds covering the Wojahn A 5-2 and the Michels A 8-3 wells should not be forfeited.

IT IS FURTHER ORDERED that the \$250.00 fine for each day after July 1, 2015 that the violations remain unresolved remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that staff determine the content of the unmarked bags on the Michels A 8-3 well location.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE CAVALIER PETROLEUM TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROPERLY PLUG ITS WELLS OR TO PROVIDE A TIMELINE FOR THE PROPER PLUGGING AND RECLAMATION OF ITS WELLS.

ORDER 155-2015

Docket No. 140-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Cavalier Petroleum (Cavalier).
3. Staff recommended that the plugging and reclamation bond of Cavalier be forfeited for failure to plug its 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

The Board of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the plugging and reclamation bond for Cavalier Petroleum is hereby forfeited.

BOARD ORDER NO. 155-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE COASTAL PETROLEUM COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PERFORM SURFACE RECLAMATION ON ITS STATE 7-16 WELL SITE LOCATED IN T36N-R36E, SECTION 16, VALLEY COUNTY, MONTANA.

ORDER 156-2015

Docket No. 141-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Coastal Petroleum Company (Coastal).
3. Staff recommended that the plugging and reclamation bond of Coastal be forfeited for failure to reclaim its State 7-16 well.
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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Coastal Petroleum Company's plugging and reclamation bond for its State 7-16 well is hereby forfeited.

BOARD ORDER NO. 156-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist



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

UPON THE BOARD'S OWN MOTION TO REQUIRE MIOCENE OIL COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$120.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS MIOCENE OIL COMPANY TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 157-2015

Docket No. 143-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Miocene Oil Company (Miocene).
3. Mr. Manuel Munoz, owner of Miocene, drove from Denver, Colorado to the Board's Technical and Southern Field Office in Billings, Montana to inform Board staff that correspondence after May 1, 2015 was not received due to the closing of his office. Mr. Munoz requested a continuance of 60 days to come into compliance.
4. Staff recommended the docket be continued until the October 29, 2015 public hearing.
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 of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

BOARD ORDER NO. 157-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 143-2015 is continued until the October 29, 2015 public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

\_\_\_\_\_  
Peggy Ames Nerud, Board Member

ATTEST:

\_\_\_\_\_  
Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE KYKUIT RESOURCES, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$520.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT IS RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS KYKUIT RESOURCES, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 158-2015

Docket No. 145-2015

Report of the Board

The above entitled cause came on regularly for hearing on August 13, 2015 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. Member John Evans was 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Kykuit Resources, LLC.
3. 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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Kykuit Resources, LLC appear at the October 29, 2015 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for plugging its wells.

IT IS FURTHER ORDERED that Kykuit Resources, LLC is fined \$1,000.00 for failure to appear at the August 13, 2015 public hearing.

BOARD ORDER NO. 158-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13<sup>th</sup> day of August, 2015.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Linda Nelson, Chairman

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Wayne Smith, Vice-Chairman

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Steven Durrett, Board Member

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Ronald S. Efta, Board Member

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Paul Gatzemeier, Board Member

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Peggy Ames Nerud, Board Member

ATTEST:

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Jennifer Rath, Program Specialist