

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

IN THE MATTER OF THE REQUEST FOR REHEARING OF THE  
MALSAM FAMILY, LLC AND TODD MALSAM DOCKET 114-  
2015 BY J. BURNS BROWN OPERATING CO., JOHN BROWN,  
JR., AND TRAVIS BROWN IN ACCORDANCE WITH SECTION  
82-11-143, M.C.A.

ADMINISTRATIVE ORDER 6-A-2015

Docket No. 114-2015

At the Board's June 25, 2015 hearing, the Board considered the dispute between Malsam Family, LLC and Todd Malsam (collectively Malsam) and J. Burns Brown Operating Co., John Brown, Jr., and Travis Brown (collectively Brown) under Docket 114-2015. Malsam alleged Brown violated the 180-day notice period in §82-10-503(1), MCA, violated the adequacy of the notice under §82-10-503(1), MCA, and committed other violations related to negotiation and compensation for surface damage.

The Board issued Order 111-2015 concluding that Brown violated the 180-day notice period in §82-10-503(1), MCA, and ordered that Brown be fined \$100.00 per day for the four days between the expiration of the required 180-day notice period and the commencement of activity that disturbed the land surface. Brown and Malsam filed requests for rehearing of Docket 114-2015 under §82-11-143 MCA.

Brown proposed to offer additional evidence and argument that Malsam was properly notified and that the four-day delay between the expiration of the required 180-day notice period and the commencement of activity that disturbed the land surface was justifiable.

Malsam disagreed with the Conclusions of Law in Board Order 111-2015 regarding the extent of the Board's jurisdiction, the adequacy of Brown's notice, and the Board's conclusion about the adequacy of Brown's notice. Malsam also disagreed with the amount of the fine imposed on Brown. Malsam proposed that Finding of Fact 8 be deleted or that, if the Board amended its conclusions about the Board's jurisdiction, additional testimony be required from Board staff about the conditions at the well site.

Brown and Malsam did not demonstrate that a rehearing should be granted.

A motion was made and unanimously passed to deny the requests for rehearing of Docket 114-2015.

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the requests to rehear Docket 114-2015 is denied.

Dated this 12<sup>th</sup> day of August, 2015

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator

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

IN THE MATTER OF MOUNTAIN PACIFIC GENERAL INC.  
REQUIREMENT TO SHOW UP AND ADDRESS THE BOARD OF  
ITS PROGRESS TO REDUCE ITS UNFUNDED PLUGGING  
LIABILITY, ADDRESS ITS \$250,000 BOND HELD IN  
ABEYANCE, AND ADDRESS COMPLIANCE ISSUES FOR ITS  
WELLS.

ADMINISTRATIVE ORDER 7-A-2015

The Pruet BNRR 29-1 well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 29, T24N, R54E, Richland County, Montana was inspected on April 8, 2015. Board staff discovered the treater was leaking oil. Mountain Pacific General Inc. was notified of the violation through telephone contact on May 8, 2015, and by email on May 12, 2015, to which Mountain Pacific General Inc. was given a June 7, 2015 deadline to remedy the violations. As of August 12, 2015, no remedy had been initiated.

Mountain Pacific General Inc. was notified by Board staff at the hearing that the following wells do not have well identification signs, in violation of ARM 36.22.1202:

- Stimpson Eagle Twin 14-13 well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 13, T3N, R18E, Sweetgrass County, Montana
- State Eagle 22-14 well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 14, T3N, R18E, Sweetgrass County, Montana
- Stimpson Eagle 21-24 well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 24, T3N, R18E, Sweetgrass County, Montana
- Lutgen 1-34 well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 34, T1N, R21E, Stillwater County, Montana

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the compliance issues be remedied within 60 days of the hearing or Mountain Pacific General Inc. will be scheduled for the October 29, 2015 hearing, at which time additional penalties will be considered.

IT IS FURTHER ORDERED that Mountain Pacific General Inc. plug a minimum of four wells per year in order to continue to hold the \$250,000 bond increase in abeyance, which was set forth in Board Order 1-A-2010. Mountain Pacific General Inc. must submit a written report of its progress of plugging and reclaiming its wells within the past year by September 1, 2016, for staff verification of compliance with Board Order 1-A-2010.

Dated this 12<sup>th</sup> day of August, 2015

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator