
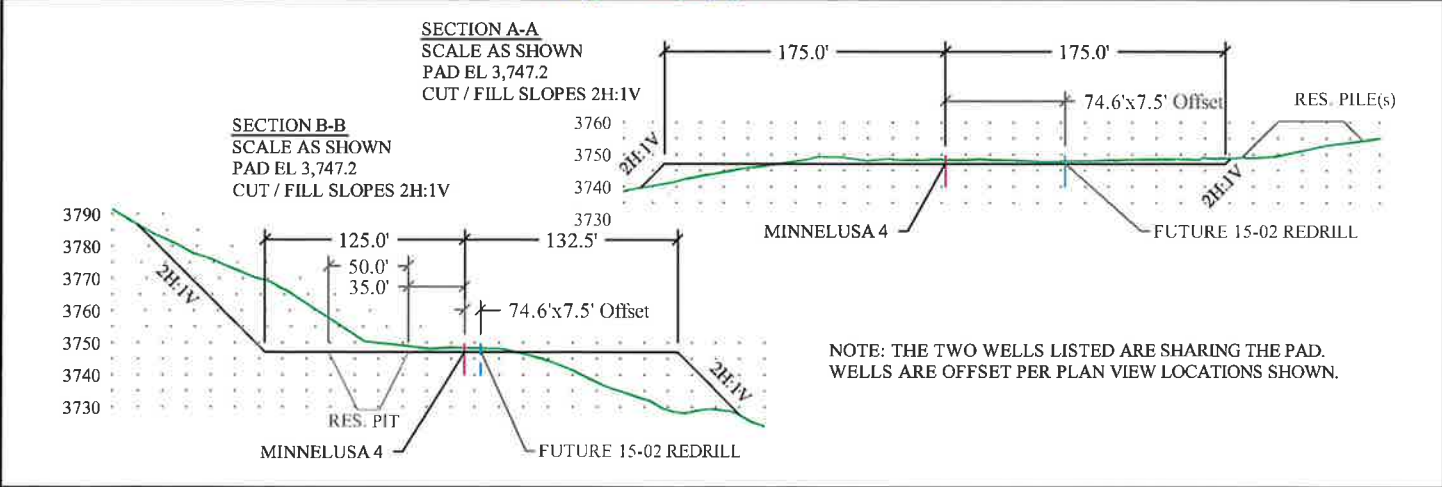
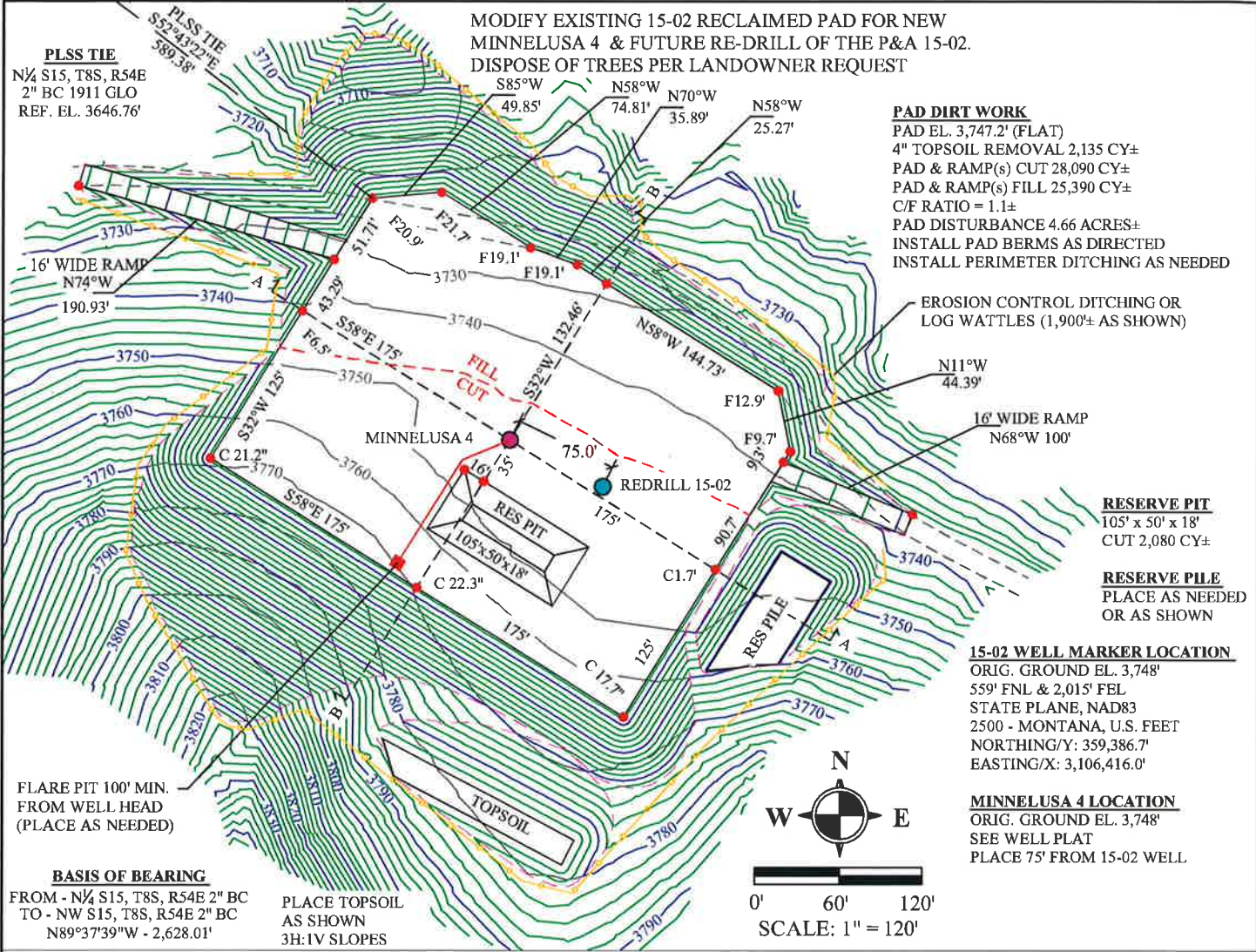


<b>Bridger Field Services, LLC</b> 1757 N. Heights Circle Sheridan, WY 82801 307-752-3042		CLIENT: DENBURY ONSHORE, LLC PROJECT NAME: BELL CREEK PHASE 3 PROJECT No.: DR1416145CAP DRAWING NAME.: PHASE 3 MINNELUSA 4 WELL PAD: 15-02 RE-DRILL & MINNELUSA 4 LOCATION: NWN S15, T8S, R54E, MONTANA P.M. LAT./LONG.: 15-02 WELL; 45.1476115°N, 105.0870738°W (NAD83) COUNTY, STATE.: POWDER RIVER, MONTANA	 SHEET 1 OF 3
ISSUE	FOR SUBMITTAL		
REV.	B		
REV. DATE	16 SEPT 2014		
BY	LWB		
APPROVED			



**Bridger Field Services, LLC**

1757 N. Heights Circle  
Sheridan, WY 82801  
307-752-3042

CLIENT: DENBURY ONSHORE, LLC

PROJECT NAME: BELL CREEK PHASE 3

PROJECT No.: DR1416145CAP

DRAWING NAME: PHASE 3 MINNELUSA 4

WELL PAD: 15-02 RE-DRILL & MINNELUSA 4

LOCATION: NWNE S15, T8S, R54E, MONTANA P.M.

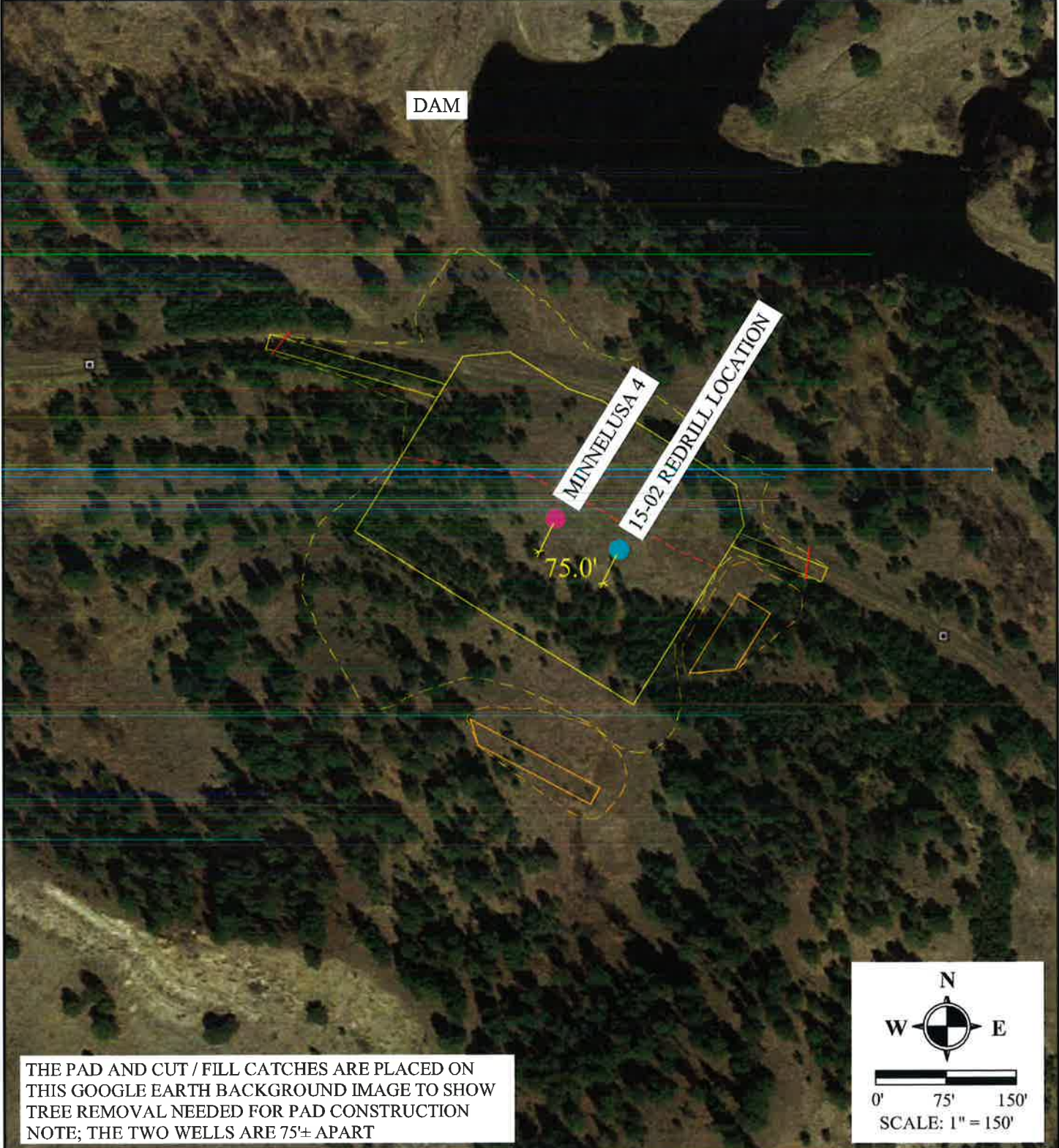
LAT./LONG.: 15-02 WELL; 45.1476115°N, 105.0870738°W (NAD83)

COUNTY, STATE.: POWDER RIVER, MONTANA



SHEET 2 OF 3

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SHEET 3 OF 3

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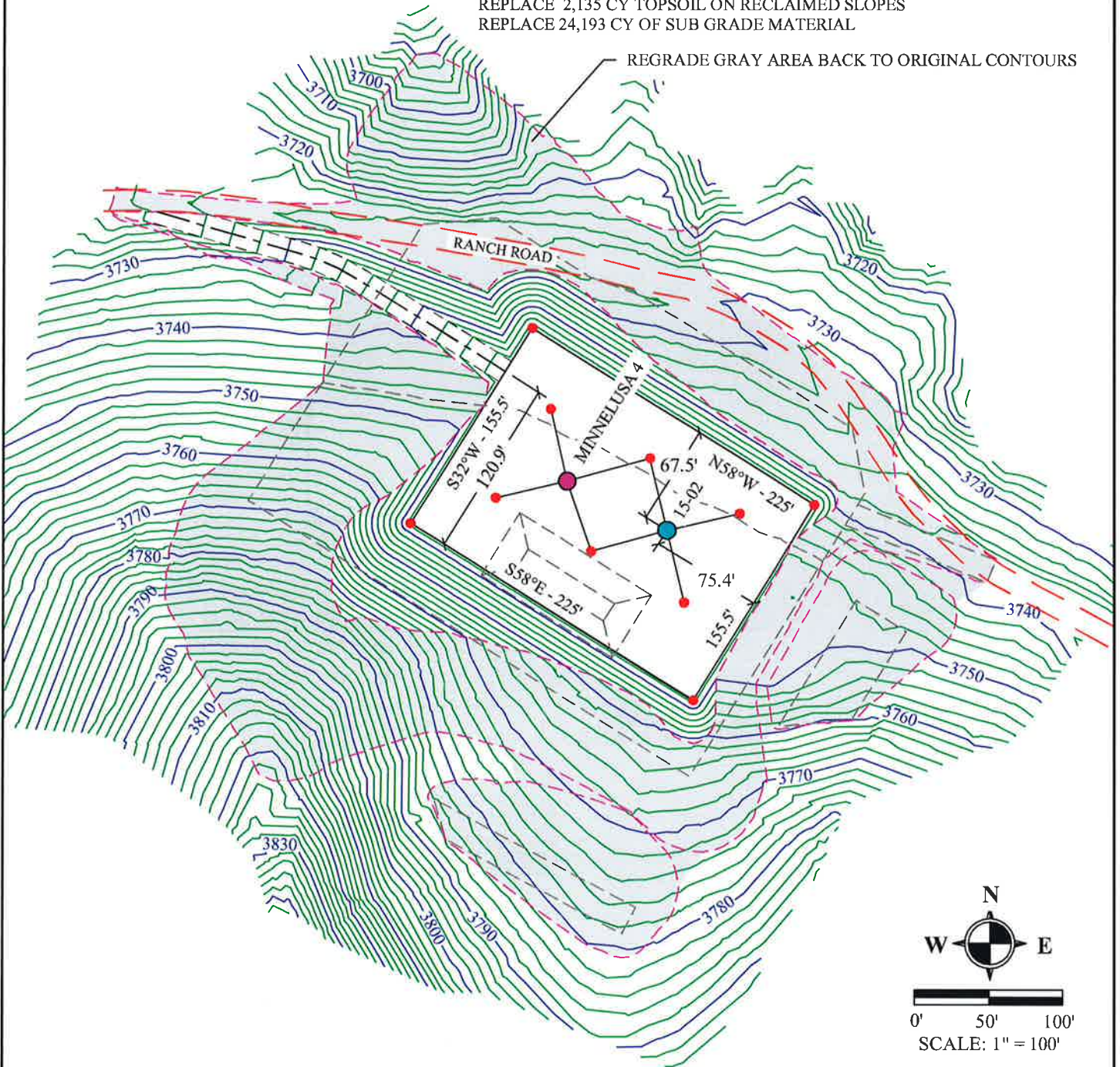
RECLAIM PAD BACK TO THE APPROXIMATE DIMENSIONS SHOWN  
CUT & FILL SLOPES SHALL NOT EXCEED 2H:1V

ESTIMATED QUANTITIES:

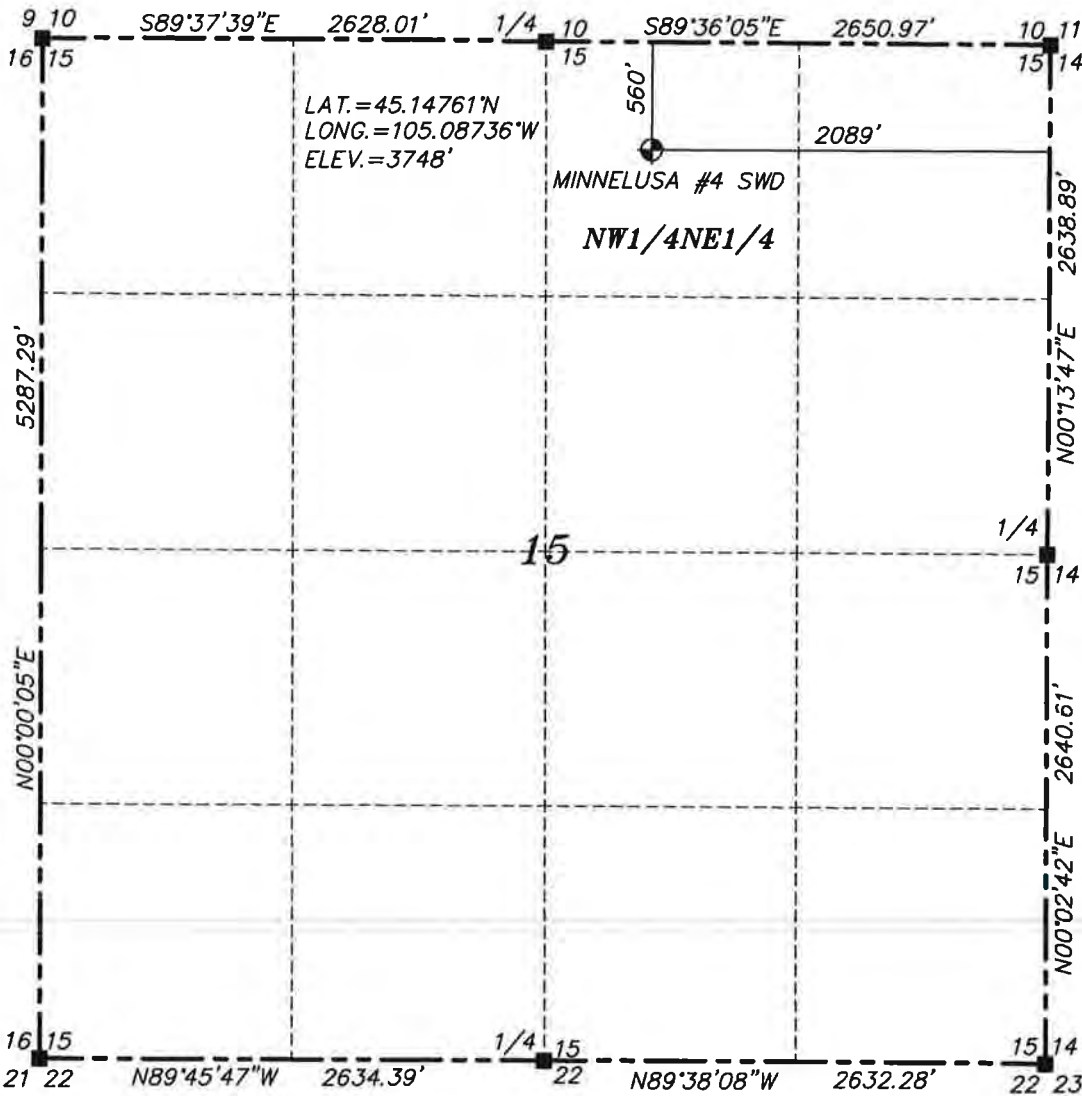
REPLACE 2,135 CY TOPSOIL ON RECLAIMED SLOPES

REPLACE 24,193 CY OF SUB GRADE MATERIAL

REGRADE GRAY AREA BACK TO ORIGINAL CONTOURS



**SECTION 15, T8S, R54E, PMM, POWDER RIVER COUNTY, MONTANA**



SCALE: 1"=1000'

**LEGEND**

- PROPOSED WELL LOCATION
- GLO BRASS CAP
- SECTION LINE
- INTERIOR SECTION LINE

**BASIS TABLE**

BEARINGS: UTM ZONE 13  
LAT/LONG: NAD83 BASED ON CORS STATIONS BIL5 AND WYSH  
ELEVATIONS: UNGRADED GROUND NAVD88 DERIVED FROM ELLIPSOID  
HEIGHTS USING GEOID09. DISTANCES ARE CORRECTED TO SURFACE  
USING AN ADJUSTMENT FACTOR OF 1.0005827498.

I, DANIEL G. REDERTH, A DULY REGISTERED LAND SURVEYOR IN THE STATE OF MONTANA, DO HEREBY STATE, BASED ON MY KNOWLEDGE AND INFORMATION, THE ABOVE PLAT IS A VALID REPRESENTATION OF A SURVEY MADE BY ME, OR UNDER MY DIRECT SUPERVISION.

THE PROPOSED WELL IS:  
560' FROM NORTH LINE  
2089' FROM EAST LINE

DISTANCES ARE PERPENDICULAR TO SECTION LINES

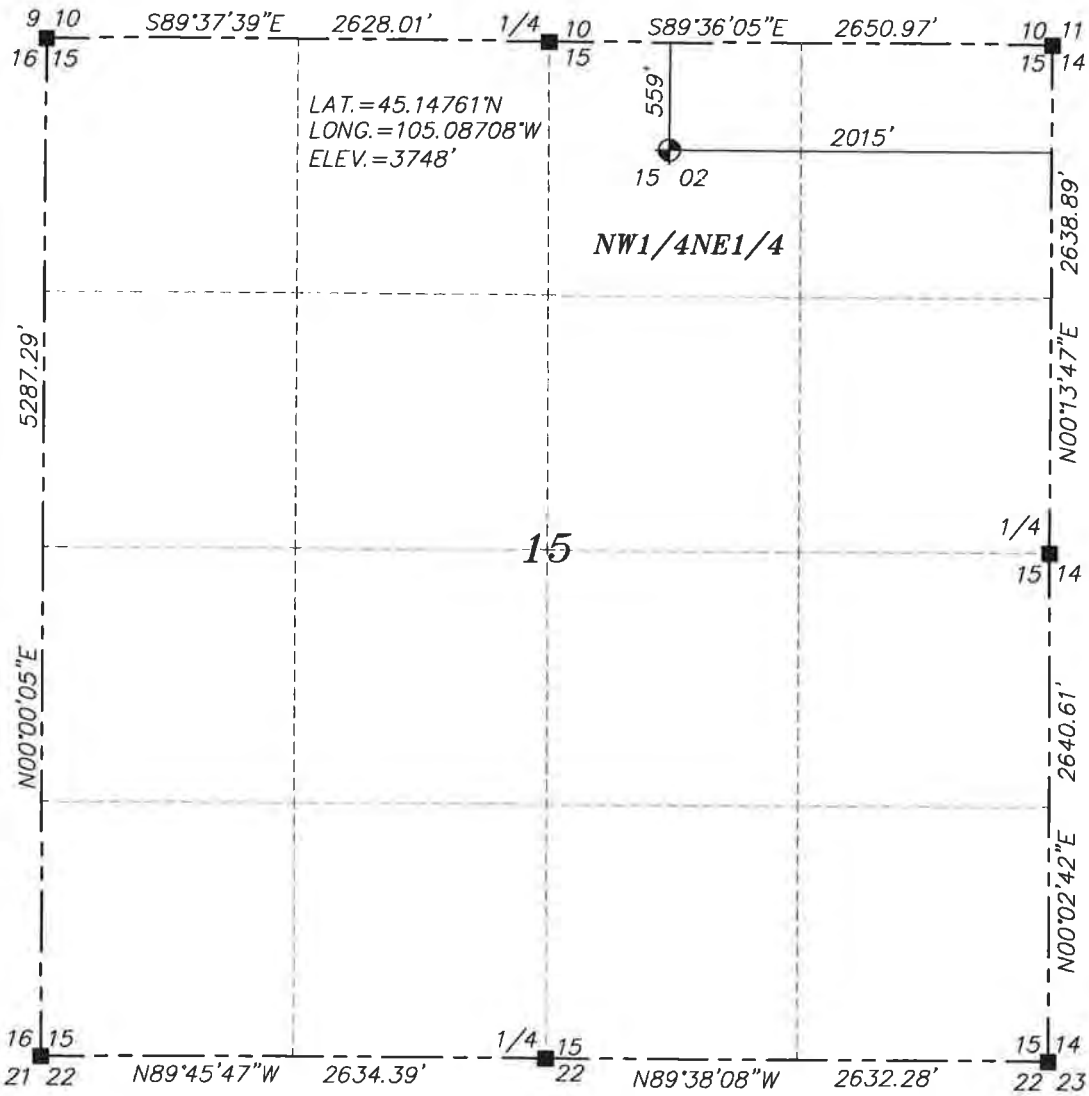
**PLAT SHOWING DRILLING LOCATION FOR MINNELUSA #4 SWD**



**RESTFELDT SURVEYING**  
PO BOX 3082 SHERIDAN, WY 82801 FAX 674-5000  
307-672-7415

JN: 2012-051  
DF: BRIDGER\85415  
SEPTEMBER, 2014

SECTION 15, T8S, R54E, PMM, POWDER RIVER COUNTY, MONTANA



SCALE: 1"=1000'

**LEGEND**

- PROPOSED WELL LOCATION
- GLO BRASS CAP
- SECTION LINE
- INTERIOR SECTION LINE

I, THOMAS D. TUCKER, A DULY REGISTERED LAND SURVEYOR IN THE STATE OF MONTANA, DO HEREBY STATE, BASED ON MY KNOWLEDGE AND INFORMATION, THE ABOVE PLAT IS A VALID REPRESENTATION OF A SURVEY MADE BY ME, OR UNDER MY DIRECT SUPERVISION.

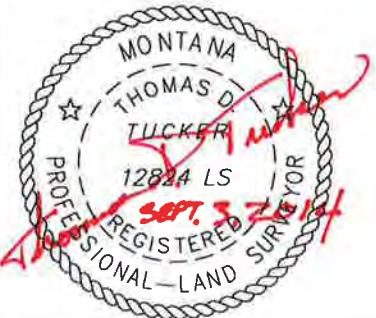
THE PROPOSED WELL IS:  
559' FROM NORTH LINE  
2015' FROM EAST LINE

DISTANCES ARE PERPENDICULAR TO SECTION LINES

**BASIS TABLE**

BEARINGS: UTM ZONE 13  
LAT/LONG: NAD83 BASED ON CORS STATIONS BIL5 AND WYSH  
ELEVATIONS: UNGRADED GROUND NAVD88 DERIVED FROM ELLIPSOID HEIGHTS USING GEOID09. DISTANCES ARE CORRECTED TO SURFACE USING AN ADJUSTMENT FACTOR OF 1.0005827498.

**PLAT SHOWING DRILLING LOCATION FOR 15-02**



**RESTFELDT SURVEYING**

PO BOX 3082 307-672-7415  
SHERIDAN, WY 82801 FAX 674-5000

JN: 2012-051  
DF: BRIDGER\85415  
SEPTEMBER, 2014

**DRIVING DIRECTION 15-02 & MINNELUSA #4 SWD**

1 - Beginning in Biddle, Mt, 45.098770° N, 105.338065° W, travel 0.5 miles to the intersection of HWY 59 & Ranch Creek Road, 45.105975°N, 105.338104°W.



2 – Turn right, or East, onto Ranch Creek Road and travel 18.4 miles to oil field road from the East, 45.128087°N, 105.101498°W, which is also the access to a private airstrip.



3 – Turn right, or Northeast and travel 0.79 miles to a wye, 45.132669°N, 105.088587°W, and go left, Northeast.

4 – Continue on the oil field road 0.62 miles to a cattle guard, 45.140775°N, 105.089970°W.

5 – Continue through the cattle guard trending North for another 0.54 miles to the 15-03 well pad location, 45.147530°N, 105.092073°W.

6 – From the 15-03 well pad location travel Easterly on the oil field road another 0.27 miles to the 15-02 & Minnelusa #4 SWD well pad location, 45.1476115°N, 105.0870738°W.

# RECLAMATION SITE RECOMMENDATION REPORT

Completed by: Rath Consulting

Denbury Project  
Minnelusa 4  
June 22, 2015



*Aerial View of the project site and surrounding area looking toward the southeast*

## INTRODUCTION

**Opening** Rath Consulting was hired to perform an existing vegetative analysis for this project on the Denbury well site given the name of Minnelusa 4. Dick Rath made an initial site visit on May 21, 2015 to assess the site disturbance, make a vegetative characterization of surrounding vegetation, meet with the private landowner, and develop an initial action plan for reclaiming the site.

**Objective** To develop a plan complete with recommendations that will lead to the reestablishment of a fully stocked stand of Ponderosa Pine and native grasslands within the perimeter of drilling site area.

**Background** This particular well site was established several years ago. The disturbance consisted of excavating the north aspect of a gently-sloped hill, which resulted in the movement of a significant amount of material, and leveling a well drilling site at the base of the cut. The timber stand that existed on the site resembled the adjacent stands that currently surround the project area.

The area surrounding the subject well site can best be described as a timber-dominated grasslands environment, residing on a northern aspect. The timber stand surrounding the drilling site is a mature, fully stocked stand of healthy ponderosa pine, with little indication of any insect or disease. A fully stocked stand is one that can be described as containing approximately six hundred and twenty trees per acre, which equates to having trees on an approximate twelve foot by twelve foot crown spacing. The stand contains three distinct age classes, seedling/saplings, poles and mature tree. The understory is a mix of native shrub species with a significant juniper component, indicating it has been quite some time since fire activity has impacted the vegetation. The native grass community is at climax stage with a good mixture of native forbs present and no evidence of noxious weeds. These stands have not been managed for timber production.

An all-weather road accesses the drill site from the west, and in general the site is northerly facing. The site drains to north into an intermittent stream course, where a stock watering reservoir has been developed immediately below the well site. This drainage likely runs live water only following significant rain events and during rapid snowmelt.

The area around the drilling site was modified in order to allow for road access and drilling development. This area is approximately three acres in size. A significant amount of material was removed just below the ridge-top, resulting in a steep relief. The area topsoil was stored near this cut to allow for redistribution as part of the reclamation process. Off-site road material was hauled in for leveling and all-weather purposing on the roadbed and well site.





*Photo of existing well site showing steep cut behind the building toward the top of the slope and introduced road material in the foreground.*



*Native soil is the darker material. Red soil has been brought in as road material.*

### **Future development**

During the site visit the discussion indicated that a second well would be drilled on the site. This activity will require some new movement of soils to facilitate that operation. Future rehab will be required using the recommendations set forth in this plan.

## MANAGEMENT RECOMMENDATIONS

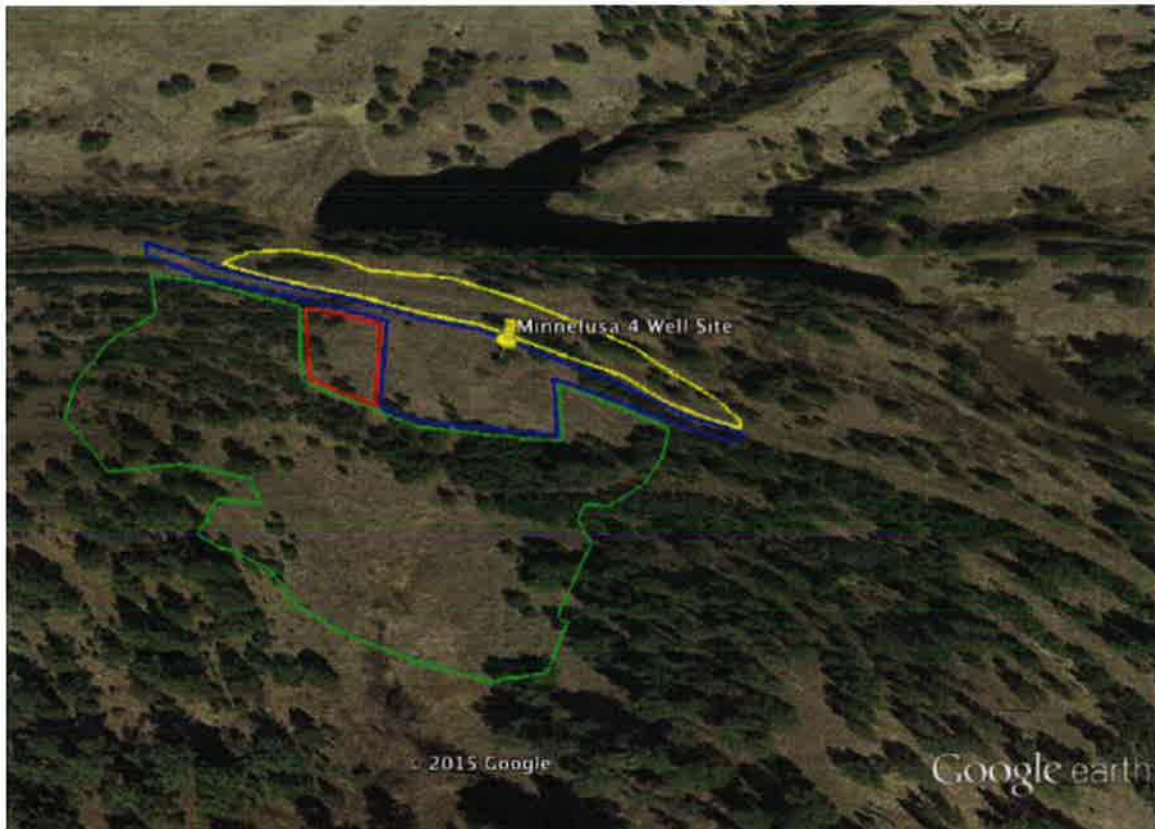
The site can be broken into four distinct management units based on topography, vegetative potential, and future management and use (see photo below).

Unit 1 (in green) is the upD slope area where a significant amount of material was originally removed resulting in a very steep relief. This area will be prone to washing unless it is reshaped to a more gradual slope. As of the date of this report, much of this soil reclamation work has been completed. The mature Ponderosa Pine stand will likely dominate this unit.

Unit 2 (in yellow) is the downD slope site that accesses the drainage area. A shrub/grass vegetative community will likely dominate this site over the long term.

Unit 3 (in blue) is a relatively flat area that contains the permanent well site and an egress road. This site will be managed longD term for active well functions.

Unit 4 (in red) is also a flat area adjacent to the site entrance. This site has been identified as a potential location for future drilling and well site establishment.



*Site management units over an aerial photo of the site before disturbance.*

### **Forestry**

**MANAGEMENT CONSIDERATIONS:** As seen above in the aerial photo above taken before disturbance on the site, there was an existing clearing where the well site is located as well as above. The narrow band of trees through the middle of the photo

was removed to establish this well site, but will not likely take long to replace either through a planting or through natural reseeding.



*Photos taken during well site construction. Much of the well site was an open meadow.*

To achieve restocking of Ponderosa Pine on the site, two distinct options exist: first, to plant the site with off-site seed stock; and second, to allow the site to naturally stock itself. The following describes each of the preferred management options along with the associated pros and cons.

***Planting or artificial regeneration:***

This option would plant approximately 1,240 trees per acre, i.e. on a six foot by six foot spacing across the approximate area that contained trees prior to disturbance. The stocking level is recommended, since approximately half of these trees will not survive to maturity, resulting in approximately 620 trees per acre. The stock used would be approximately three years of age and approximately six inches tall. Once a nursery for the stock has been located, the trees can be purchased, transported to the site, and planted. Early spring is the preferred time for planting since the site is coming out of dormancy and contains the moisture required for the seedling to develop root structure. Shade cards and netting from grazing will need to be included in the planting to enhance survivability of the seedlings. Once planted the site needs to be monitored to assure adequate numbers of seedlings survive. Advantages of this option are that seedling trees will be introduced more quickly and can be placed across the landscape where the landowner wishes. Disadvantages are that the trees are not acclimated to the site, not placed in microsites in which they would naturally occur and thus less likely to survive. In addition, this option is much more management intensive both short and long term, and overall has a greater chance of failure.

***Natural regeneration:***

This option would use the existing mature ponderosa pine stands that exist along the perimeter of the site (a natural seed wall) to provide a seed crop, that once germinated will become established with seedlings from mature trees that have evolved ecologically to this environment. Mature Ponderosa Pine trees generally have two cone crops over a seven-year time period. One of the two is substantial

and the second is not as vibrant. In order to fully stock the area with seed, two things are required.

The first requirement are healthy, mature trees capable of producing viable cones; and the second is a wind factor that is strong enough to disperse the seeds. This site has both elements. A large wall of mature, seed-producing Ponderosa Pine resides along the perimeter of the entire area. Clumps of seedling/saplings and pole-sized regeneration are interspersed with the mature stands, which clearly indicates that natural regeneration is already occurring on this site.



*Mature, cone-producing trees surrounding the site in rear of both pictures are indicative of entire perimeter.*

In order for this natural regeneration to take place, the ground cover (grass and forbs) consists of plants that are native to the area, thus providing a seed bed that allows for seedlings to germinate and compete equaling with those plant species.

It is known that in a Ponderosa Pine Ecosystem, cone crops occur twice in a seven-year period. However, it is not known which year they will take place. This unknown requires patience on the part of the landowner. To help mitigate the situation and provide time for natural regeneration, establishing a native grassland cover type will keep the slope stabilized and reduce any issues associated with overland flow and resulting erosion while providing maximum grazing benefit.

### **RECOMMENDATION**

We recommend the site be regenerated naturally using the available seed from the plentiful surrounding mature trees. This alternative could take longer to achieve a good cone crop, but once established the native seedlings stand a much higher chance of becoming the dominant vegetation on the site.

In order to maintain this site for seedling regeneration, it will be important to designate this area as one that will not be part of any future oil field management activities.

Once the stand reaches ten foot in height, the stand will require a pre-commercial thinning. This activity will select the best of the trees and thin them to a 14' x 14' crown spacing. This will allow those trees to become crop trees for future management and potential saw timber.

### **Range**

We recommend a seed mix of native and introduced grass species that will provide quick establishment of a short-term plant community that resists erosion and promotes infiltration. The introduced species will eventually allow native plant varieties (trees, shrubs, forbs) to re-establish a longer-term climax resident plant mix on the site. Livestock grazing on the site will allow these resilient species to thrive as native forbs, shrubs, and trees re-establish themselves in micro-sites that meet their germination and growth requirements. The grasslands vegetation type will likely dominate Unit 2 and parts of unit 1.

The grass seeding is complete as of the time of this report. The seed mix chosen was as follows: *Western Wheat (Rosana)* - 7lb/ac, *Thickspike Wheat* - 5.3lb/ac, *Slender Wheat* - 3lb/ac, *Green Needle Grass* - 2.3lb/ac, *Bluebunch Wheatgrass* - 1lb/ac, *Little Bluestem* - 1lb/ac.

### **Soils**

The use of re-distributed soil from the immediate area will best conform with naturally-occurring soil composition. These soils will contain the proper sand/silt/clay composition to allow adapted local plant reestablishment. Slopes should be similar to those existing on site, with steeper slopes having some sort of soil stabilizing treatment (soil mats, cross-slope furrowing, terracing, etc.) to prevent furrowing, gullyng, washing, or other types of soil movement. The large cut described above should be re-sloped with native site material to a gradual relief where vegetation can quickly reestablish and that will be resistant to erosion.

### **Invasive Species**

The site should be carefully monitored in the short-term for germination and establishment of seeded species, while ensuring that no noxious or otherwise invasive species are appearing on the site without some type of mitigation plan. Germination of native opportunistic species is to be expected, as these plants are naturally occurring and have adapted to quickly establish providing a quick-cover function for soil retention. Eventually these primarily annual species will be replaced by more stable varieties of native, perennial vegetation.

We also recommend that any road material or equipment being brought into the site is thoroughly washed and inspected to ensure it does not contain noxious weed seeds or plant parts. Units 3 and 4 should be monitored closely for the presence of noxious weeds due to frequent vehicle use and the chance of introduction of seeds and plant parts from off-site.

## **Wild Fire Mitigation**

Wild land fire plays a very important role in Ponderosa Pine ecosystems like the subject property. Lightning fires shape the vegetative community over time. A typical fire frequency for this vegetation type is 5-10 years. These frequent low-intensity fires burn through the understory clearing out shrubs while leaving the thick-barked, fire resistant mature Ponderosa and root-sprouting native grasses on site.

In order to minimize the effects of a wild land fire to both the stand of timber being developed and to protect the structures on the site, a pre-commercial thinning coupled with hazardous fuels mitigation is also recommended as the stand is reestablished. As mentioned previously, the large presence of juniper on the site indicates a much lower fire frequency than what occurred historically. This congestion of large, mature juniper plants in the understory creates a much more volatile fire risk. When a fire runs through the site, it is likely to be very intense and to consume all plant life. This leaves a scalded landscape that may take decades to re-vegetate.

The use of prescribed fire should also be considered as a management tool to improve the range and protect stand of mature timber from a large catastrophic fire.

Large, well-established stands of Ponderosa located on north aspects and creek bottoms, should managed for both summer and winter thermal cover for cattle. These stands provide cooler environment in the summer and warmer one in the winter.

This recommendation is more for the landowner as a long-term commitment to maintaining a healthy timber/rangeland environment over the entire area surrounding the well site. The drilling activity certainly had no impact over this situation, however the success of this re-vegetation is dependent on the factors described in this section.

Montana Department of Natural Resources sponsor a stand funded resource management course called the "Forest Stewardship Program". This two weekend short course in resource management provides a landowner with knowledge of their particular ecosystem. Once the class is completed one of the instructors will work with each person attending the class to develop a forest management plan for their property. Once can access this program by calling Cindy Betek: 406D 243D 4706 or their web site at: <http://msuextension.org/forestry>. This is an outstanding program for large landowners or small wood lots. Columbus Fire is hosting one of these workshops in the summer of 2016 and Dick Rath will be the course coordinator.

## **SUMMARY**

By following the recommendations set forth in this report, we strongly believe that the site will be restored within a relatively short period of time to resemble the surrounding landscape. Going forward continued monitoring is critical to ensure that conifer seedlings become established and the presence of invasive species is mitigated.











# Community Engagement Guidelines

ANSI/API BULLETIN 100-3  
FIRST EDITION, JULY 2014



AMERICAN PETROLEUM INSTITUTE



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## Introduction

The Community Engagement Guidelines are recommendations designed to promote the safe and responsible development of the nation's oil and natural gas resources by engaging and respecting the communities where these operations occur. The oil and gas industry can bring prosperity, economic development and enhancements to an area and assist in securing our national energy interests. In order to promote oil and gas development that results in a positive experience for communities, recommended development activities should be aligned with community concerns and priorities grounded in responsible practices and lessons learned from former experiences.

The industry's commitment to being a good neighbor throughout the full project life cycle requires ongoing dialogue with local communities and other key stakeholders. Stakeholders, for use of the Community Engagement Guidelines, are defined as:

*Any person, group or entity that has interest or concern in an organization and its activities is considered a stakeholder. Stakeholders can affect or be affected by the organization's actions, objectives and policies*<sup>1</sup>.

NOTE A more comprehensive definition of stakeholders can be found in A.2.

From entry through exploration and operation to eventual exiting, fostering broad stakeholder involvement through every phase of project development has become good industry practice. Operators should explain their activities, in a reasonable timeframe, to community stakeholders and then identify, understand, listen and respond to legitimate issues and concerns. Identifying and engaging the right stakeholders at the right time in an appropriate way allows for two-way communication to occur. Involving stakeholders in managing the potential impact on their community helps establish trust and build mutually beneficial relationships. While a balanced resolution between industry and stakeholders is ideal, some issues can present unique challenges.

---

<sup>1</sup> Adapted from International Finance Corporation, World Bank Group, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, first printing 2007.

# Community Engagement Guidelines

## 1 Scope

### 1.1 General

These guidelines outline what local communities and other key stakeholders can expect from operators. Oil and gas operators acknowledge the challenges associated with industry activities, which can include challenges important to a community. Principles of integrity, transparency and consideration for community concerns underpin responsible operations. Conscientious operators are committed to helping communities achieve positive and long-lasting benefits.

Both local stakeholders and operators can use this guidance. It is designed to acknowledge challenges and impacts that occur during the industry's presence in a given region. It provides flexible and adaptable strategies, recognizing that application will vary from operator to operator and community to community. Many operators already apply similar guidelines or processes within their operations. These suggested guidelines are typical and reasonable and generally apply under normal operating circumstances. The use of these guidelines is at each individual operator's discretion.

Operators recognize that stakeholders within the community can have different interests, issues and levels of concern. Some of these interests can be in direct conflict with one another. Working together with stakeholders to seek mutually agreeable solutions is an important aspect of community engagement. Operators can have different approaches to addressing the concerns and issues.

These guidelines are intended primarily to support onshore oil and gas projects in the United States for shale developments; however, they can be adapted to any oil and gas projects in the United States.

### 1.2 Conditions of Applicability

This document provides non-technical guidance only, and practices included herein cannot be applicable in all regions and/or circumstances. This document does not constitute legal advice regarding compliance with legal or contractual requirements or risk mitigation. It is not intended to be all-inclusive. The operator is responsible for determining compliance with applicable legal and regulatory requirements.

## 2 Considerations for Community Engagement Activities

### 2.1 General

Communities expect oil and gas companies to be aware and appropriately responsible for the potential direct impacts of their operations. Likewise, companies recognize that it is mutually beneficial to build good relations with local communities. The Community Engagement Guidelines provide oil and gas companies and community members with a set of recommended principles and considerations as a baseline to direct their engagement through each phase of a project.

While drafting these guidelines, oil and gas companies structured their conversations around the behaviors, principles and values expected of industry leaders. During the process, questions were posed and answered and considerations developed and agreed upon regarding the five phases of oil and gas project's, or its life cycle. The five phases are defined in Section 3 and include the following:

- entry;
- exploration;
- development;



- operations/production;
- exit.

These guidelines can be customized to fit the various stages of the project life cycle. They are intended to be non-prescriptive in nature to enable operators to satisfy the considerations to the best of their ability, given the unique situation of each project/asset and the company and community involved.

## **2.2 Principles**

### **2.2.1 Integrity**

An overarching principle that applies to all the five phases of oil and gas projects, integrity is the operating principle for effective community engagement. Companies operating with integrity strive to build positive and constructive relationships within the community and accumulate long-term sustainable relationships. Such companies continually focus on engaging in a manner that works to build and maintain trusting relationships important to their operations. They maintain their presence as leaders in the community with a reputation for forthrightly engaging on issues important to their stakeholders.

### **2.2.2 Safety and Environmental Responsibility**

Companies strive to remain steadfast to commitments in excellence regarding the management of safety, environment and health using clearly defined policies and practices. The goal should be to operate daily in a manner that protects the safety, environment and health of communities, employees and contractors during the complete lifecycle of the project.

### **2.2.3 Communicating Effectively**

Communication is a two-way process of giving and receiving information through a number of channels. Whether one is speaking informally to an individual or group of community members, following basic communication principles can build credibility and improve dialogue and understanding. Below are some suggested practices.

- a) Promote education, awareness, and learning during the five phases of the project life cycle and work to bridge any knowledge gaps by providing tailored information that is targeted to the community. Host various forums, providing videos and demonstrations to allow for learning and information exchange at all levels of community engagement.
- b) Provide clear, concise information to all key stakeholders including community members and local authorities and regulatory agencies in addressing challenges and issues that can impact them.
- c) Provide structured forums for dialogue, planning, and implementation of projects and programs affecting the greater regional area. Involve neighboring operators and those sharing adjacent properties or leaseholds in opportunities to work cooperatively on engagements.
- d) Establish a process to collect, assess, and manage issues of concerned stakeholders. Inform stakeholders on the preferred methods for communication, perhaps providing national toll-free phone number, or by offering contact information for the local field office or corporate personnel responsible for community/stakeholder relations.
- e) Design and carry out a communication strategy that addresses the community, cultural, economic, and environmental context where a project occurs, and that considers the norms, values, and beliefs of local stakeholders, and the way in which they live and interact with each other.

## **2.3 Accompanying Tools for Companies**

Annex A contains accompanying tools for operators based on lessons learned and suggested practices of operators working oil and gas development projects across the United States for each of the five phases of oil and gas projects. These are provided as additional resources and are for use at the discretion of the operator.

## **3 Five Phase Model—Oil and Gas Projects**

### **3.1 General**

As previously mentioned in the development of the Community Engagement Guidelines, the five phases of oil and gas projects were taken into consideration (see Figure 1). However, note that the five phases are not necessarily distinct or sequential as phases overlap and the transitions between phases vary in length of time from one to another. For example, the reclamation and restoration of areas affected by oil and gas activities, if any, is ongoing and can happen during any phase of the project.

A risk mitigation process can assist operators in managing local issues and potential impacts on communities alleviating pressure points and resulting in fewer project delays or interruptions. Risk management is the identification, assessment and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or potential impact of an event. It is recommended that operators identify, assess, manage and mitigate their identified risks.

The following sections address each of the above five phases, defining engagement considerations for the operators and providing insight into what can be expected by local stakeholders. In addition, operators should consider engaging non-operating venture partners as well as the community of operators in the area where they are exploring and developing oil and gas resources.

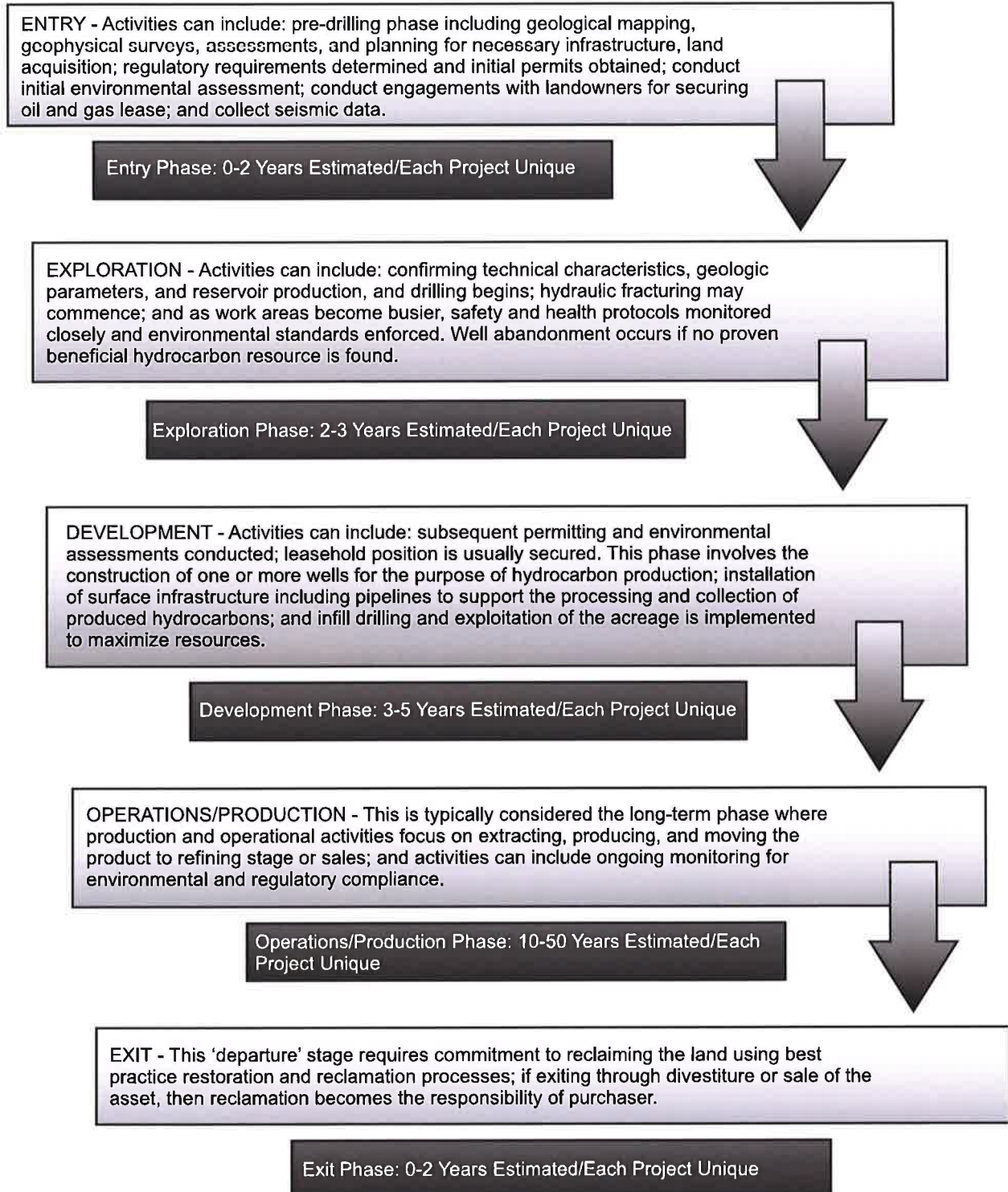
### **3.2 Entry Phase**

#### **3.2.1 General**

At this stage, an oil and gas company investigates and studies potential locations and, after considering a variety of factors, can acquire initial leasehold areas. Criteria for decision-making can include the following considerations:

- a) potential size and viability of the resource;
- b) political and regulatory environment;
- c) infrastructure available including roads and utilities;
- d) existing gathering systems and pipelines;
- e) proximity to market;
- f) land adaptability for construction of well pads and other operational facilities;
- g) presence of other operators.

For most operators, the entry phase can be considered investigative in nature, although community members may already have seen oil and gas activity in the area.



NOTE Definitions for the Five Phase Model are approximate and briefly described. Visit [www.api.org](http://www.api.org) for more information.

**Figure 1—Oil and Gas Project Life Cycle, Five Phase Model**

### 3.2.2 Entry Phase Considerations

Considerations for the Entry phase can include the following.

- a) Identify, select, and hire employees and/or contractors who have experience, are reliable, and perform well in health, safety, and environmental practices
- b) Identify a process for setting professional standards for landmen and ethical code of conduct protocols.
- c) Identify and engage with relevant stakeholders, as required, including communication strategies for contractors, community members, government officials, employees, and other stakeholders as needed.
  - Convey key company messages regarding safety, environment, and health practices to contractors, vendors, and suppliers; train and educate accordingly; manage expectations of contractors who represent company or operator activities within the region; address issues promptly and put corrective actions in place.
  - Build communication strategy including a timeline when information will be disseminated locally, regionally, and with state officials; provide consistent communication and information packets with the release of entry phase information.
  - At appropriate time, review potential operational plans with key stakeholders, contractors, vendors, and suppliers to maintain consistent information on the company's activities.
  - Develop information packets that can be distributed at community engagements that include company information and contacts, press release information, frequently-asked-questions (FAQs), brochures, and other educational information that explains company values and current operational activities, or any relevant performance indicators or metrics; introduce key company personnel.
- d) Disseminate educational materials that inform stakeholders about potential impending operational activities that provide facts. Consider collaboration with regional educational institutions and/or government/regulatory agencies offering important, independent third party information.
- e) Utilize industry associations and regulatory agencies to assist or complement education and awareness campaigns and adopt useful resources developed specifically for the industry.
- f) Proactively design processes and incorporate potential impacts into the company strategy while including and preparing for activities for the next phase, exploration.
- g) Prepare for possible withdrawal (sale of assets, non-viable resource, etc.) from the area and a plan for communicating to key stakeholders, notifying them of company's decision.
- h) Manage stakeholder expectations through clear, regular communication while the company processes information and data to make a decision to move a project forward, or to exit.

### 3.3 Exploration Phase

#### 3.3.1 General

During the exploration phase, a variety of operational activities begin and company visibility greatly increases in local areas due to the influx of vehicles, equipment and personnel. Seismic or other related activities can be conducted to assess the viability of resource development. Companies continue to hire contractors, vendors and direct employees. A company might start to build access roads, construct well pads, and can possibly start exploratory drilling. If proven beneficial resources are discovered, operations could potentially last for decades.

Focusing on transparency, open dialogue and education with stakeholders is essential during this phase to keep stakeholders informed, understand their concerns, and build alignment of expectations. It is equally important to inform stakeholders if it is likely that resources cannot be developed, as it is to prepare them for future development activities. Being proactive and preparing stakeholders for differing scenarios, understanding their concerns, and ensuring that personnel and contractors representing the company communicate the same messages are important.

*Considerations from the Entry (see 3.2.2) phase are still relevant and advisable to continue, as applicable.*

### **3.3.2 Exploration Phase Considerations**

Considerations for the Exploration phase can include the following.

- a) Conduct frequent engagement with landowners and other affected stakeholders in the project area through one-on-one meetings, open houses and community meetings, or informational sessions to disclose information; host appropriate meetings to introduce arriving key local personnel and contractors to the community; engage, listen, and field questions during this active phase.
- b) Engage with stakeholders on issues of concern such as road safety and traffic management include developing strategies to decrease burden on local infrastructure and agencies. Reinforce expectations for company and contract personnel regarding road and traffic safety behaviors. Consider working with law enforcement agencies, department of transportation services, and emergency services personnel in the local area.
- c) Engage with elected officials, local authorities, regulatory agencies, commissioners, and other key government stakeholders to confirm understanding of respective rights, where appropriate.
- d) Provide communication materials that convey company values and general operating information; provide information packages; assist community and stakeholders in understanding the company, its business goals, and approach to responsible operations; and engage in two-way communication to understand community perspectives regarding issues and challenges.
- e) Offer and provide access to a community feedback mechanism and engage in two-way dialogue to address issues, challenges and opportunities for involvement or collaboration.
- f) Begin to assess opportunities for workforce development with key community stakeholders and local or regional educational institutions.
- g) Determine best media and technology vehicles for community access to the company. Communicate and display ways in which community members and other stakeholders have access to key local personnel or those at corporate headquarters.

## **3.4 Development Phase**

### **3.4.1 General**

Industry activities move into the development phase once it has been determined that an area has proven beneficial resources. In the development phase, oil and gas operators determine what additional capital investment is required to develop the full resource potential of the area. Several aspects of the exploration and development phases are similar (e.g., well pad construction/drilling/completions). A key difference is the significant increase of those activities during the development phase.

Furthermore, preparation for the production phase includes the construction of new facilities, pipelines, and compressor stations that will contribute to distribution of the resources. In areas where multiple wells are drilled on a single pad location, the development and production phases can overlap. Communities can expect to see the highest level of industry activities during this phase, particularly an increase in road traffic.

*Considerations from the Entry (see 3.2.2) and Exploration (see 3.3.2) phases are still relevant and advisable to continue, as applicable.*

### **3.4.2 Development Phase Considerations**

Considerations for the Development phase can include the following.

- a) Provide updates by engaging emergency services and first responders keeping them aware of activities, drilling dates, construction and infrastructure development, and for planning personnel movements at peak times or in high volume traffic areas.
- b) Maintain collaborative relations with local authorities and regulatory agencies having direct oversight to traffic management and road safety, and include maintenance and seasonal challenges. Build awareness campaigns on safe driving; collaborate with other operators and contractors in the area for multi-use campaigns.
- c) Assess, plan, and implement strategies for additional potential operational impacts specific to development and soon-to-be production as it relates to engagement with stakeholders on various issues.
- d) Maintain relationships with surface and mineral owners; include specific information addressing their reasonable needs and issues.
- e) Manage and promote best practices and industry standards in safety, environment and health, implement 'good neighbor policies,' and stress ethical business practices and behaviors.
- f) In anticipation and for preparation of the Operations/Production phase, consider building relationships to bridge the following opportunities.
  - 1) Inform communities on potential economic impacts; host collaborative dialogues that address challenges and issues created by the presence of the oil and gas industry; discuss positive potential impacts such as job creation, awarding local supplier and vendor contracts, and building capacity with local agencies; and where feasible, develop local hiring strategy.
  - 2) Consider community investments to support local activities and non-profit organizations; participate on boards and join local organizations to learn about local issues and perspectives while providing expertise and solutions for local challenges and issues.
  - 3) Seek to collaborate with local and regional universities, colleges, and vocational institutions for job training needs for current and future workforce staffing solutions; engage K-12 students on oil and gas activities including health, safety, and environmental practices, and careers in the industry.

## **3.5 Operations/Production Phase**

### **3.5.1 General**

The operation and production phase of oil and gas development involves maintaining and optimizing the product and resources. Value is created through well site planning, lowering costs and maximizing production through the life of the project. Operational activities have a decreasing footprint and visibility over the course of a well site's operation/production. After the initial extraction techniques are applied, communities can expect production well sites to have less equipment and necessary daily activities requiring less maintenance and company presence.

*Considerations from the Entry (see 3.2.2), Exploration (see 3.3.2), and Development (see 3.4.2) phases are still relevant and advisable to continue, as applicable.*

### 3.5.2 Operations/Production Phase Considerations

Considerations for the Operations/Production phase can include the following.

- a) Address community questions and inquiries, promptly and as appropriate, with regards to the ongoing management of health, safety and environment activities.
- b) Provide consistent and timely implementation of community feedback mechanism through transparent information, identifying solutions, and closing out issues with concerned stakeholders.
- c) Develop and implement an ongoing strategy to engage elected officials, commissioners, local authorities, and other key government stakeholders on public policy issues and legislation.
- d) Address applicable community infrastructure concerns by conducting planned maintenance checks.
- e) Continuously improve and maintain high standards and behaviors for road and traffic safety.
- f) Engage key stakeholders and maintain communication strategies that include the following.
  - 1) Maintain two-way communication (listening, feedback, discussions); and provide educational materials and host informational sessions for schools and other interested and targeted stakeholder groups.
  - 2) Maintain open communication by adhering to industry suggested practices, following 'good neighbor policies,' and collaborating with local and regional educational institutions.
  - 3) Collaboratively work as an industry in the geographic region for outreach to students on career opportunities and unique jobs in oil and gas, providing demonstrations and tours.
  - 4) Identify opportunities to work and engage with local non-profit and government organizations to build capacity and enhance benefits to local communities. Consider supporting programs within the community that support company values and offer sustainable, long-term benefits; encourage employees to volunteer with local organizations, perhaps establishing a reward or recognition mechanism for giving their time and talents.
  - 5) Assist and support trade organizations for engagement activities; consider sponsorship of local initiatives such as road safety, education, environmental conservation and biodiversity, or other interested areas as suggested by stakeholders.

## 3.6 Exit Phase

### 3.6.1 General

While an asset can have a lifespan of several decades, it is important to start planning for the eventual exit of the company and its resources from the asset or for the transfer or sale of the asset to another operator. A key aspect during the exit phase is regular engagements with local communities and key stakeholders. During divestment or exchange of an asset from one company to another, to enable a smooth transition, it is recommended that the outgoing operator provide the incoming company with details about its practices over the years, key relationships developed, and any outstanding community issues.

Reasons for exiting can vary. An operator can have concluded development and production of its leases and is ceasing operations in the area; or an operator can have determined that the asset no longer aligns with its strategic priorities.

Preparing the community for the withdrawal of services, including any economic, social and environmental programs that can have been supported for a significant duration, needs careful preparation. Just as the company planned for its original entry to the area, it is also recommended that a company plan and engage for its approximate exit date.

Considerations can still apply from the previous phases of Entry, Exploration, Development, and Operations/ Production. Reclamation and restoration can also occur at any phase of an oil and gas project and is recognized as ongoing until land is restored appropriately. Communities can expect the land to be reclaimed or restored as close as possible to its original or current surrounding state.

### **3.6.2 Exit Phase Considerations**

Considerations for the Exit phase can include the following.

- a) Consistent and forward-looking focus on safety and the environment; rectify any potential risks that could impact people, communities, or the environment after decommissioning.
- b) Decrease surface footprint by demonstrating the same level of care during remediation and restoration as during construction, reducing surface disturbances, or potential impacts.
- c) Identify and engage with key community leaders and other stakeholders to solicit their input and feedback on exit strategy to manage expectations.
- d) If on public lands, consider involving the adjacent community and/or surface owner(s) in developing final land use for restored areas developing land to pre-activity condition, at minimum; consider land use options that will further improve community such as recreational or education areas.
- e) Conduct community meetings during decommissioning allowing stakeholders to have adequate opportunity to raise issues and concerns so that there are no lingering issues or concerns; develop communication channels for the community to access the company post-decommissioning.

## **4 Summary**

In summary, the Community Engagement Guidelines are designed to facilitate the alignment of oil and gas operations with community values and priorities. This guidance encourages constructive conversation and gives interested stakeholders an opportunity to communicate effectively with any operator working within a given region. Those involved in drafting this guidance document hope to encourage an ongoing two-way dialogue between operators, partners, contractors, and communities and other stakeholders as it pertains to the safety, health and environmentally responsible performance of the industry. In addition, they hope to have a dialogue about the role of these resources in serving the nation's need for energy security for generations to come.

By outlining this road map of Considerations, communities and other stakeholders can understand the various activities operators undertake while exploring for and producing hydrocarbons. The oil and gas companies encourage communities to use these guidelines in a manner that invites conversation, facilitates learning and enhances cooperation, working collectively to mitigate potential impacts and driving for long-term sustainability. Identifying common ground and promoting mutual respect with one another will foster long-term relationships that can last well into the future.



## **Annex A (informative)**

### **Accompanying Tools for Companies**

#### **A.1 Supplementary Considerations for the Five Phase Model**

##### **A.1.1 General**

As operators, their partners and contractors and communities converge in a given area, these additional tools offer further resources and considerations for an operator's discretionary use during each of the five phases of oil and gas projects (see Figure 1). As stated previously, this is not intended to be all-inclusive, but rather to assist operators and communities as they find mutually beneficial opportunities while working and living in the same geographic areas.

The considerations below may not include such items as cultural reflections, identification of indigenous people, and environmentally sensitive areas that can require additional internal evaluations and discussions. The term 'guideline' suggests these considerations allow some discretion or leeway in their interpretation, implementation, or use by the operator.

##### **A.1.2 Entry Phase**

The following are supplementary considerations for the Entry Phase.

- a) Develop a stakeholder engagement plan with processes and procedures—identify, map, and prioritize stakeholders to gather information and data for identifying and assessing risks and potential impacts.
- b) Prepare emergency response plans and engage key emergency services personnel in the area while revisiting plans on a frequent basis. Include communication strategies for addressing community concerns, should an incident occur.
- c) Develop internal key performance indicators (KPI's) for the year.
- d) Identify, understand, and anticipate unintended consequences of operations conducted in the area.
- e) Prepare, identify, and plan for training needs of employees, contractors, vendors, and suppliers.
- f) Understand political issues, challenges, and key concerns of local and state elected officials and authorities; prepare a framework of public and government affairs, including engagement and communication strategies.
- g) Identify and prepare for social impact assessments, environmental impact assessments, and other identified impact assessments, as appropriate. Exploration Phase.

The following are supplementary considerations for the Exploration Phase.

- a) Plan for training and development at regular intervals for contractors, vendors, and suppliers on safety procedures, protocols, and standards.
- b) Conduct an environmental and social impact study or perform a desktop review, as applicable.
- c) Conduct appropriate studies or assessments to assist in developing stakeholder, social investment, and communications strategies; can include but not limited to economic footprint, impact analysis, community needs assessment, stakeholder focus groups, etc.; implement to appropriate scale of the area or region being developed.

- d) Provide information on drilling processes and fracturing protocols along with safety and environmental protection protocols.
- e) Review and implement incident preparedness plans; connecting with key stakeholders in emergency services, as necessary, with protocols established.
- f) Confirm internal resources are deployed accordingly to align with activity level in the area.
- g) Identify key internal personnel for speaking engagements, attending community meetings, and presenting educational sessions.
- h) Develop a strategy for engaging workforce development issues and for sourcing local procurement of goods and services, when possible.

### **A.1.3 Development Phase**

The following are supplementary considerations for the Development Phase.

- a) Evaluate and address potential impacts through assessments, local knowledge and various task force resources.
- b) Develop a strategy to address long-term needs in government relations and legislative and regulatory requirements.
- c) Plan for temporary housing, camps, and other housing-related challenges for long term sustainable solutions as operator moves from development to production phase.
- d) Refresh communications, information, and education materials to match current processes and prepare the community for the production phase.
- e) Review and update engagement strategies and activities focused on more long-term sustainable business goals; communicate through various vehicles including community meetings, host school education and awareness seminars, sponsor oil and gas industry informational fairs, cookouts, and other engagements, which provide visibility.
- f) Revisit social investment and philanthropic strategies, updating activities for long-term commitments and sustainable programs and projects.

### **A.1.4 Operations/Production Phase**

The following are supplementary considerations for the Operations/Production Phase.

- a) Plan transitions regarding workforce, operation and production activities, contractor shifting priorities, and local vendor and supplier use.
- b) Continued focus on engagement plans and activities with active management of ongoing issues and potential impacts.
- c) Maintain stakeholder relationships; introduce key employees to stakeholders when turnover occurs or as operations expand.
- d) Disclose reporting on company performance providing a balanced view including any solutions on improvements.

- e) Consider forming a 'community engagement council or advisory panel' to maintain relationships, engage on any issues or challenges that can arise, and make collective decisions regarding community investment programs or projects.
- f) Reassess community expectations and prepare to manage ongoing needs and issues posed by the greater community and key stakeholders.

### **A.1.5 Exit Phase**

The following are supplementary considerations for the Exit Phase.

- a) Develop and maintain a decommissioning and exit strategy even at the earliest stages of operation.
- b) Manage operator's financial obligations regarding social investments or other commitments beyond exit.
- c) Consider the exit strategy a working document that begins at Entry Phase and has active ownership from key personnel with relevant chain of custody throughout the lifespan of the asset.
- d) Courtesy notifications: Once the decision is made to divest, decommission, or exit, it is recommended that as quickly as possible, the operator notify the mineral owners, surface owners, and other key stakeholders who will be potentially impacted by the decision.
- e) Manage expectations: Address decommissioning and exit as inevitable phases of the operation and be transparent regarding when this is likely to occur and what is normally involved.

## **A.2 Defining Stakeholders**

### **A.2.1 General**

Maintaining effective stakeholder relationships is a process of continuous proactive engagement, taking the form of informational sessions, one-to-one engagements, community meetings, and everything in between. The first step is a thoughtful strategy of identifying, mapping, and prioritizing stakeholders in a given geographic region, who are central to a company's operational activities. Once a strategy is developed, engaging stakeholders can be as simple as holding a conversation or as complex as educating an entire community on operational processes. No matter how a company or operator engages with its stakeholders, transparent communication and collaboration is the cornerstone for building long-term sustainable relations.

Although every relationship may not flourish, an operator is responsible for maintaining an environment conducive to responsible interactions and effective listening. Stakeholders will hold operators accountable for the commitments they make. Building long-term sustainable relationships is not always easy and requires strategic focus by a company or operator.

### **A.2.2 Stakeholder**

A person, group or entity that has interest or concern in an organization and its activities is considered a stakeholder. Stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are employees, partners, suppliers, investors, customers, communities, consumers and consumer associations, mineral rights owners and landowners, media, special interest groups and non-governmental organizations (NGO's), government (local, state and federal elected officials) and shareholders.<sup>2</sup>

<sup>2</sup> Adapted from International Finance Corporation, World Bank Group, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, first printing 2007

### **A.2.3 Stakeholder Engagement**

Stakeholder engagement comprises the interaction between a company and affected stakeholders by actively developing and sustaining relationships to the benefit of all parties. It includes a range of interactions over the life of a project to include activities such as stakeholder identification, information disclosure, stakeholder feedback, and the involvement of stakeholders in monitoring the project's impacts, mitigation, and benefits.

Stakeholder engagement is an inclusive and continuous process that begins with identifying and prioritizing stakeholders by assessing their interests and concerns. Communicating information to stakeholders early in the process helps influence public perception and establishes a positive atmosphere that can cultivate relationships over the life of the project.

### **A.2.4 Stakeholder Management**

Stakeholder management is the process of forming, monitoring and maintaining constructive relationships with stakeholders by influencing their performance expectations, resulting in their participation. Stakeholder management helps a company or operator move toward its stated goals by keeping existing stakeholders engaged, and recruiting new stakeholders as necessary, in a responsible and ethical way. The process includes: thinking strategically; analyzing and planning; strengthening engagement as the project life cycle evolves; building a process for long term engagements; and, ensuring lessons learned are captured and capitalized upon for future endeavors.<sup>3</sup>

### **A.2.5 Examples of Stakeholder Groups during the Five Phases of a Project Life Cycle**

#### **A.2.5.1 General**

Stakeholders are fluid throughout the five-phase process for oil and gas projects. It is important to note a stakeholder can be anyone; however, listed here are a few for initial consideration when developing stakeholder engagement plans for a given geographic area or region.

#### **A.2.5.2 Categories of Key Stakeholders**

Categories of key stakeholders include the following:

- mineral rights owners and surface owners (individuals and associations) and adjacent landowners;
- local and state elected officials and authorities;
- state and local environmental and regulatory agencies;
- state and regional economic development agencies;
- community members, and community, school and civic leaders;
- indigenous people, e.g. Native American;
- chambers of commerce and business leaders and local businesses;
- local, regional and national media;
- local and regional interest groups (e.g. conservation, sportsman, arts);

<sup>3</sup> Adapted from *Words to Action, The Stakeholder Engagement Manual, Volume 2: The Practitioner's Handbook on Stakeholder Engagement*, AccountAbility, the United Nations Environment Program and Stakeholder Research Associates, first edition October 2005.

- local, national and international non-governmental groups (NGO's);
- universities, colleges and schools;
- public and emergency service agencies;
- potential service providers or contractors.

Maintaining consistent and transparent stakeholder participation is important for long-term, sustainable relationships with communities. It is recommended that stakeholder management be strategically developed and implemented, and reviewed frequently, fostering relationships in all areas of business operations.

### **A.3 References and Resources**

These additional references and resources can complement the above Community Engagement Guidelines by offering more detail and information, or simply providing a more comprehensive study for consideration by both operators and communities.

- American Association of Professional Landmen (AAPL); [www.landman.org](http://www.landman.org).
- AccountAbility, Setting the Standard for Corporate Responsibility and Sustainable Development; [www.accountability.org](http://www.accountability.org).
- Community Matters, American Petroleum Institute (API); [www.api.org](http://www.api.org).
- American Petroleum Institute's website for information, data, and complementary elements; [www.api.org](http://www.api.org).
- Appalachian Shale Recommended Practices Group (ASRPG) recommended standards and practices; [www.asrpg.org](http://www.asrpg.org).
- CommDev, Enhancing Benefits to Communities; [www.commdev.org](http://www.commdev.org).
- Energy in Depth; <http://energyindepth.org>.
- Energy from Shale, Hydraulic Fracturing 101; [www.energyfromshale.org](http://www.energyfromshale.org).
- IPIECA library of publications, [www.ipieca.org](http://www.ipieca.org).
- New Mexico Oil and Gas Association (NMOGA) Good Neighbor Program; [www.nmoga.org](http://www.nmoga.org).
- IPIECA Community Engagement; [www.ipieca.org](http://www.ipieca.org).

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- [1] NMOGA <sup>4</sup>, *Good Neighbor Program*, Santa Fe, New Mexico.
- [2] AAPL <sup>5</sup>, *Land Professionals Code of Ethics*.
- [3] IFC <sup>6</sup>, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, May 2007.
- [4] IPIECA <sup>7</sup>, *A Guide to Social Impact Assessment in the Oil and Gas Industry*, April 2004.
- [5] IPECA, *Local Content Strategy: A Guidance Document for the Oil and Gas Industry*, October 2011.
- [6] IPIECA/API/OGP, *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, December 2010.

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<sup>4</sup> New Mexico Oil and Gas Association, 123 W. Booth Street, Santa Fe, NM 87505; [www.nmoga.org](http://www.nmoga.org).

<sup>5</sup> American Association of Professional Landmen, 4100 Fossil Creek Blvd., Fort Worth, TX 76137; [www.landman.org](http://www.landman.org).

<sup>6</sup> International Finance Corporation, 2121 Pennsylvania Avenue, NW, Washington, DC 20433 USA; [www.ifc.org](http://www.ifc.org).

<sup>7</sup> IPIECA, the global oil and gas industry association for environmental and social issues, 5th Floor, 209–215 Blackfriars Road, London SE1 8NL, United Kingdom; [www.ipieca.org](http://www.ipieca.org).



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**Product No. G100301**

4/4/2016 Draft

(1) For the purposes of this section, "occupied dwelling" means a building used for a human dwelling at least once per year.

(2) An applicant for a permit to drill a new well under ARM 36.22.601 must provide reasonable notice of the intent to file an application to all owners of record of an occupied dwelling within 1,320 feet of the proposed well.

(a) The notice must advise each owner that the application is eligible for administrative approval unless a demand for an opportunity to be heard is filed with the board within 14 days of an owner having received the notice.

(b) The applicant must file proof of the notice required by this section with its application to the Board.

(c) The 14 day requirement may be waived by the owner in writing.

(3) The staff of the board shall refer an application for permit to drill to the board for notice and public hearing if an owner of an occupied dwelling, as to any application for permit to drill for which they received notice, files a demand for an opportunity to be heard concerning the application in the form set forth in subsection 5.

(4) In those instances where such requests for a permit to drill have been the subject of notice and public hearing, the board shall, after such hearing, either:

(a) Enter its order granting such permit under such conditions as the board shall find proper and necessary; or

(b) Enter its order denying the application for the permit.

(5) A demand for opportunity to be heard concerning an application for permit to drill for which notice is required must:

(a) Be in writing; and

(b) Set forth the name, address, and telephone number of each party making the demand, and their ownership interest, if any, in the lands surrounding the drill site; and

(c) Set forth the specific reasons why the party requests a hearing regarding the issuance of the proposed drilling permit; and

(d) Be received by the board no later than fourteen (14) days after the date the notice is received by the owner. Service of such demand may be made on the board personally, by mail, by email, or by FAX transmission; and

(e) Be simultaneously served upon the applicant for the permit by written copy mailed or FAX transmitted to the address or number set forth in the published notice. A certificate of such service must accompany the demand as filed with the board.



BEFORE THE BOARD OF OIL AND GAS CONSERVATION AND THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF THE STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF PUBLIC HEARING ON ARM 36.22.1242 to regarding the oil ) PROPOSED AMENDMENT and gas privilege and licenses tax )

To: All Concerned Persons

1. On June 15, 2016, at 2:00 p.m., the Department of Natural Resources and Conservation and the Board of Oil and Gas Conservation will hold a public hearing at 2535 St. Johns Avenue, Billings, Montana, to consider the proposed amendment of the above-stated rule.

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the board no later than June 3, 2016, to advise us of the nature of the accommodation that you need. Please contact Jim Halvorson, Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, MT 59102; telephone (406) 656-6040; fax (406) 655-6015; e-mail jhalvorson@mt.gov.

3. The rule as proposed to be amended provides as follows:

36.22.1242 REPORTS BY PRODUCERS - TAX REPORT-TAX RATE

(1) remains the same.

(2) The privilege and license tax on each barrel of crude petroleum and each 10,000 cubic feet of natural gas produced, saved, and marketed, or stored within the state or exported therefrom shall be 100 percent (0.9/10 of 1%) of the rate authorized in 82-11-1.31, MCA, (3/10 of 1%) of the market value thereof. This rule is effective on all crude petroleum and natural gas produced on and after October 1, 2000 2016.

AUTH: 82-11-111, MCA

IMP: 82-11-123, 82-11-131, 82-11-133, MCA

REASONABLE NECESSITY: Oil price during the past biennium averaged \$74 per barrel (Energy Information Administration First Purchaser Price) and quarterly expenditures generally exceeded income at the current tax rate of 0.0009 or 30% of the maximum allowable rate. The average oil price as of March 11, 2016, was \$26.25/barrel (North Dakota, NDIC weekly report).

The proposed increase of the authorized privilege and license tax under 82-11-131, MCA, is reasonably necessary to provide funds to maintain income for board operations and perform activities required by statute.

Under the proposed rule change the effective tax rate to producers will change from 0.0026 to 0.0030. The increase in tax is expected to affect 200 oil and gas producers with an increased tax burden of approximately \$240,000 over the 12 months following adoption of the new rate. This action is estimated to add approximately \$1,300,000 to the board's earmarked revenue account over the same period.

Additionally, implementation statute 82-11-133, MCA, is obsolete as it was repealed in 1995.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted in writing to Jim Halvorson, Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, MT 59102; telephone (406) 656-0040; fax (406) 655-6015; or e-mail [jhalvorson@mt.gov](mailto:jhalvorson@mt.gov), and must be received no later than 5:00 p.m. on June 17, 2016.

5. Jim Halvorson, Board of Oil and Gas Conservation, has been designated to preside over and conduct the public hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Lucy Richards, P.O. Box 201601, 1625 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail [dncr\\_publicinfo@mt.gov](mailto:dncr_publicinfo@mt.gov); or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this proposal notice is available through the department's web site at <http://www.dncr.mt.gov>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

/s/  
JOHN E. TUBBS  
Director  
Natural Resources and Conservation

/s/  
DENNISON BUTLER  
Rule Reviewer

/s/  
LINDA NELSON  
Board Chair, Board of Oil and Gas Conservation

Certified to the Secretary of May 9, 2016.



**State of Montana  
Department of Natural Resources and Conservation  
and Board of Oil and Gas Conservation**

**Small Business Impact Analysis (2-4-111, MCA)**

**In the matter of the amendment of ARM 36.22.1242 to regarding the oil and gas privilege and licenses tax**

**Montana Administrative Register No. 36-22-192**

**Date: 4/4/16**

**Definitions:**

**Significant and Direct Impact:** The Governor's Office Economic Development (GOED) defines that a "significant" impact means a proposed rule which will result in significant operational changes, costs, or advantages/disadvantages for small businesses. GOED interprets the term "directly" to mean impacts that result from the application of a proposed rule directly to small businesses. If a proposed rule does not and cannot be applied directly to small businesses, the requirements of 2-4-111, MCA, do not apply.

**Small Business:** "Small business" means a business entity, including its affiliates, which is independently owned and operated and employs fewer than 50 full-time employees (2-4-102(13), MCA). GOED interprets small business to apply to privately owned, for profit entities that may be identified by class or group.

**Narrative:**

The Board of Oil and Gas Conservation (board) is authorized under 82-11-131, MCA, to collect an assessment not to exceed 3/10 of 1% (0.3%) of the market value of oil and gas produced and sold to pay the cost of board operations. The current tax rate is set at 0.26% by 15-36-304, MCA, of which the board receives 0.09%. The difference, or 0.17%, is directed to the oil and gas natural resource distribution account.

Oil production is responsible for the majority of tax receipts and the price of oil at the present time is one-third to one-quarter of the price it held one to two years ago. To maintain income for board operations at past levels and perform activities required by statute it is necessary to increase the license and privilege tax; the proposed rulemaking will raise the set rate to the statutory maximum of 0.3%. The board has the flexibility, should oil prices stabilize during the rulemaking process, to adopt a rate lower than the maximum rate authorized by statute. However, under reasonable price scenarios the rate would likely be above 0.22% which would still result in an effective tax rate to industry of 0.3% (315-36-304(7)(b)(i), MCA).

**Analysis:**

**Impacted businesses:** All oil producers and royalty owners will be impacted by the proposed rulemaking. By raising the license and privilege tax to the statutory maximum, producers will have the effective tax rate increase from 0.26% to 0.3%, or 0.04%.

The following analysis is based upon tax distributions from production that occurred during the first quarter (Q1) of FY 2016. Oil price was approximately \$35.62 during that quarter. Current oil prices are in the range of \$20 to \$25. Gas prices are assumed constant at \$1.77 per thousand cubic feet. Table 3 includes expected impact utilizing the forecast production rates for

oil during the fourth quarter (Q4) FY 2017. Actual impacts depend upon both product price and produced or sold volumes, both of which may vary.

*Table 1: Q1 FY 2016 actual production rates, \$35.62/barrel oil price*

OIL, \$35.62 / BARREL	Tax @ 0.26%	Tax @ 0.30%	Difference	Increase per Company / Quarter	Increase per Company / Month
All Companies (159)	\$643,102	\$742,041	\$98,939		
Top 10	\$514,482	\$593,632	\$79,151	\$7,915	\$2,638
Remaining (149)	\$128,620	\$148,408	\$19,788	\$133	\$44

*Table 2: Q1 FY 2016 actual production rates, \$25/barrel oil price*

OIL, \$25 / BARREL	Tax @ 0.26%	Tax @ 0.30%	Difference	Increase per Company / Quarter	Increase per Company / Month
All Companies (159)	\$451,390	\$520,835	\$69,445		
Top 10	\$365,161	\$421,340	\$56,179	\$5,618	\$1,872
Remaining (149)	\$86,229	\$99,495	\$13,266	\$89	\$30

*Table 3: Q4 FY 2017 forecast production rates, \$30/barrel oil price*

OIL, \$30 / BARREL	Tax @ 0.26%	Tax @ 0.30%	Difference	Increase per Company / Quarter	Increase per Company / Month
All Companies (159)	\$428,248	\$494,132	\$65,884		
Top 10	\$342,598	\$395,306	\$52,707	\$5,271	\$1,757
Remaining (149)	\$86,229	\$99,495	\$13,266	\$88	\$29

*Table 4: Q1 FY 2016 actual natural gas production rates, \$1.77 per thousand cubic feet gas price*

NATURAL GAS	Tax @ 0.26%	Tax @ 0.30%	Difference	Increase per Company / Quarter	Increase per Company / Month
All Companies (104)	\$55,922	\$64,525	\$8,603		
Top 10	\$46,974	\$54,201	\$7,227	\$723	\$241
Remaining (94)	\$8,948	\$10,324	\$1,377	\$15	\$5

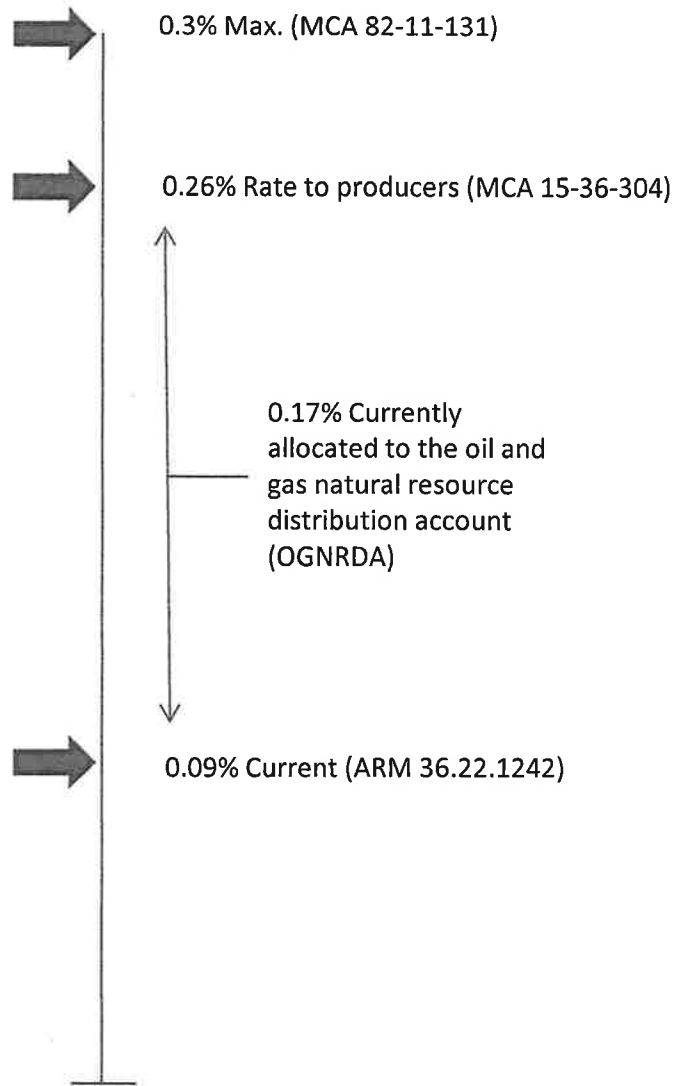
**Analysis Summary:**

The ten companies with the highest oil production and sales produce approximately 80% of the oil and contribute 80% of the license and privilege tax receipts from oil. Over the analyzed price and production levels, the increase would range from \$1,757 to \$2,638 per month. The average increase for the remaining operators (149) would be from \$29 to \$44 per month over the same price range.

The ten companies with the highest gas production and sales produce approximately 84% of the natural gas and contribute 84% of the license and privilege tax receipts from gas. It is estimated that the ten largest producers would see an increase of \$241 per month, while the remaining operators would be approximately \$5 per month.

The tax to support board operations is collected by the revenue department along with other taxes on oil and gas sales. The proposed rule change is not expected to have a significant and direct impact on Montana small businesses.

## CURRENT TAX RATE AND ALLOCATION



Allocation established in MCA 15-36-304

If the privilege and license tax rate:

1. Exceeds 0.22%, allocation to the OGNRDA is the difference between the board's rate and the 0.3% cap.
2. Is less than 0.18%, allocation to the OGNRDA is the difference between the board's rate and 0.26%.
3. Base rate for OGNRDA is 0.08%  
(If the board rate were 0.20%, an OGNRDA of 0.08% would raise the rate paid by operators to 0.28% from the current fixed rate of 0.26%.)

At the present time the OGNRDA receives 0.17%, the difference between 0.26% and 0.09% under (2) above.

Distribution of OGNRDA is established in MCA 15-36-332(7).

- Based upon production from the county
- 1/3 to county government
- 2/3 to incorporated cities and towns
- Distributed to cities and towns based upon population

**MONTANA BOARD OF OIL AND GAS CONSERVATION  
FINANCIAL STATEMENT**

As of 3/29/2016

Fiscal Year 2016: Percent of Year Elapsed - 75%

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,288,795	741,999	546,796	0.58
UIC	Personal Services	191,043	126,489	64,554	0.66
	<b>Total Expends</b>	<b>1,479,838</b>	<b>868,489</b>	<b>611,349</b>	<b>0.59</b>
Regulatory	Equipment & Assets	39,477	24,586	14,891	0.62
UIC	Equipment & Assets	17,073	5,397	11,676	0.32
	<b>Total Expends</b>	<b>56,550</b>	<b>29,983</b>	<b>26,567</b>	<b>0.53</b>
Regulatory	Contracted Services	175,279	73,036	102,243	0.42
	Supplies & Materials	48,500	24,715	23,785	0.51
	Communication	71,819	32,985	38,834	0.46
	Travel	38,000	20,296	17,704	0.53
	Rent	33,000	23,186	9,814	0.70
	Utilities	15,000	13,371	1,629	0.89
	Repair/Maintenance	15,620	12,930	2,690	0.83
	Other Expenses	20,000	15,536	4,464	0.78
	<b>Total Operating Expenses</b>	<b>417,218</b>	<b>216,053</b>	<b>201,165</b>	<b>0.52</b>
UIC	Contracted Services	14,976	7,129	7,847	0.48
	Supplies & Materials	12,561	3,084	9,477	0.25
	Communication	12,000	4,272	7,728	0.36
	Travel	9,213	2,150	7,063	0.23
	Rent	3,000	1,913	1,087	0.64
	Utilities	7,000	2,035	4,965	0.29
	Repair/Maintenance	9,000	2,170	6,830	0.24
	Other Expenses	13,876	1,302	12,574	0.09
	<b>Total Operating Expenses</b>	<b>81,626</b>	<b>24,056</b>	<b>57,570</b>	<b>0.29</b>
	<b>Total Expends</b>	<b>498,844</b>	<b>240,109</b>	<b>258,735</b>	<b>0.48</b>

	Budget	Expends	Remaining	%
<b>Carryforward FY14</b>				
Personal Services	20,331	-	20,331	0.00
Operating Expenses	30,497	-	30,497	0.00
Equipment & Assests	50,828	-	50,828	0.00
<b>Total</b>	<b>101,656</b>	<b>-</b>	<b>101,656</b>	<b>0.00</b>
<b>Carryforward FY15</b>				
Personal Services	40,249	-	40,249	0.00
Operating Expenses	80,497	-	80,497	0.00
Equipment & Assests	80,497	-	80,497	0.00
<b>Total</b>	<b>201,243</b>	<b>-</b>	<b>201,243</b>	<b>0.00</b>

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2016 Total Budget	2016 Total Expends	%
State Special	1,745,490	982,639	289,742	155,942	2,035,232	1,138,581	0.56
Federal 2016 UIC (10-1-2015 to 9-30-2016)			109,000	25,868	109,000	25,868	0.24
<b>Total</b>	<b>1,745,490</b>	<b>982,639</b>	<b>398,742</b>	<b>181,810</b>	<b>2,144,232</b>	<b>1,164,449</b>	<b>0.54</b>



**REVENUE INTO STATE SPECIAL REVENUE ACCOUNT as of 3/29/16**

	FY 16	FY 15
Oil & Gas Production Tax	\$ 241,970	\$ 1,672,097
*Oil Production Tax	222,612	1,550,985
*Gas Production Tax	19,358	121,112
Drilling Permit Fees	11,450	39,925
UIC Permit Fees	239,000	231,890
Interest on Investments	5,935	5,616
Copies of Documents	1,077	4,448
Miscellaneous Reimbursements	24,500	13,000
<b>TOTAL</b>	<b>\$ 523,932</b>	<b>\$ 3,639,073</b>

**REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 3/29/16**

	FY 16	FY 15
RIT Investment Earnings	\$ 299,067	\$ -
Bond Forfeitures	165,000	45,128
Cavalier Petroleum	15,000	
Coastal Petroleum Company	50,000	
<b>Alturas Energy</b>	<b>50,000</b>	
<b>Custom Carbon Processing, Inc</b>	<b>20,000</b>	
<b>Kelly Oil &amp; Gas LLC (UIC wells)</b>	<b>30,000</b>	
Interest on Investments	943	588
<b>TOTAL</b>	<b>\$ 465,010</b>	<b>\$ 45,716</b>

**INVESTMENT ACCOUNT BALANCES as of 3/29/16**

Regulatory Account	\$ 2,606,570
Damage Mitigation Account	\$ 918,389

**REVENUE INTO GENERAL FUND FROM FINES as of 3/29/16**

	FY 16
BENSUN ENERGY	7/17/15 \$ 120
CCG LLC / GRYNBERG, JACK	7/17/15 70
HOFLAND JAMES D. / J. H OIL COMPANY	7/17/15 210
ALTURAS ENERGY LLC	7/24/15 1,000
GRAY WOLF PRODUCTION COMPANY INC	7/24/15 100
ROARK, DANIEL/TINA / DANIELSON, PATRICIA	7/31/15 140
STATOIL OIL AND GAS LP	7/31/15 70
SONKAR INC	8/5/15 70
RIMROCK COLONY INC.	8/14/15 130
KLANIKA KENNETH / STATOIL OIL AND GAS LP	8/14/15 70
MONTANA OIL FIELD ADQUISITION	8/21/15 360
J BURNS BROWN OPERATING COMPANY	9/4/15 400
MONTANA LAND AND MINERAL COMPANY	10/2/15 60
BALKO INC	10/2/15 530
WINDY BUTTE RECLAMATION FACILITY LLC	10/30/15 120
HINTO ENERGY / HERICK, GARY J.	11/13/15 1,360
HINTO ENERGY / HERICK, GARY J.	12/11/15 20
KYKUIT RESOURCES LLC / OSAIR INC	12/14/15 1,520
DENBURY ONSHORE LLC	1/11/16 3,000
<b>TOTAL</b>	<b>9,350</b>

**GRANT BALANCES - 3/29/16**

<u>Name</u>	<u>Authorized Amt*</u>	<u>Expended</u>	<u>Balance</u>	<u>Expiration Date</u>
2011Southern - TankBattery2 RIT 12-8723	\$ 204,951	\$ 166,548	\$ 38,403	9/30/2016
2011 Northern/Eastern RIT 13-8753	332,642	203,004	129,638	9/30/2016
<b>TOTAL</b>	<b>\$ 537,593</b>	<b>\$ 369,552</b>	<b>\$ 168,041</b>	

\* includes match requirement for grant

**CONTRACT BALANCES - 3/29/16**

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
MT Tech - Elm Coulee EOR Study (MOU 127220)	\$ 863,905	\$ 501,262	\$ 362,643	Under Contract	12/31/2017
MT Tech - Survey of Native Proppant (SNaP)	383,101	369,721	13,380	Completed	12/31/2015
Agency Legal Services (ALS - Legal) (ALS-2016)	50,000	27,935	22,065	Under Contract	6/30/2016
Automated Maintenance Services, Inc. (OG-AMS-149)	24,197	15,374	8,823	Under Contract	6/30/2016
Central Avenue Mall FY '16 (9/1/15 - 8/31/16)	400	400	-	Completed	8/31/2016
Central Avenue Mall FY '17 (9/1/16 - 8/31/17)	400	-	400	Under Contract	8/31/2017
HydroSolutions - EPA Primacy Class VI Injection (DNR12-2558T)	57,156	56,392	764	Under Contract	5/31/2016
Liquid Gold (Install Well Control Equipment for Kopp #1 Well)	24,864	17,090	7,774	Completed	12/31/2015
Liquid Gold (Emergency install of No-Weld Control Equip for Kopp #1 well)	19,325	18,845	480	Under Contract	6/30/2016
<b>TOTAL</b>	<b>\$ 1,423,348</b>	<b>\$ 1,007,019</b>	<b>\$ 416,329</b>		

**Agency Legal Services  
Expenditures in FY16**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 23,651
Hekkel	663
CCRC	1,338
Omimex	1,146
Ostby	191
Malsam	947
<b>Total</b>	<b>\$ 27,935</b>

**Montana Board of Oil and Gas Conservation  
Summary of Bond Activity**

EXHIBIT 6

2/9/2016 Through 4/6/2016

**Approved**

D & H Energy, LLC Shelby MT	798 M1	Approved	2/29/2016
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00 Lexon Insurance Company		ACT
Glacier Production, Inc. Cut Bank MT	2975 M1	Approved	4/4/2016
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00 Lexon Insurance Company		ACT

**Canceled**

Anadarko E&P Onshore, LLC Denver CO	766 M1	Canceled	3/11/2016
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Galaxy Oil Williston ND	2800 G1	Canceled	2/29/2016
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
KGH Operating Co. Billings MT	173 G3	Canceled	3/25/2016
		Amount:	\$10,000.00
		Purpose:	Single Well Bond

**Forfeited**

Alturas Energy LLC Sidney MT	658 M1	Forfeited	3/7/2016
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Custom Carbon Processng, Inc. Edmonton AB	652 T2	Forfeited	3/7/2016
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Custom Carbon Processng, Inc. Edmonton AB	652 T1	Forfeited	3/7/2016
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Kelly Oil and Gas LLC Roundup MT	645 T3	Forfeited	3/7/2016
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Kelly Oil and Gas LLC Roundup MT	645 T2	Forfeited	3/7/2016
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Kelly Oil and Gas LLC Roundup MT	645 T1	Forfeited	3/7/2016
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond

# Incident Report

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitud	County	T-R-S
Bad Water Disposal, LLP	BOG	1/3/2016	Spill or Release		1 Barrels	Tank or Tank Battery	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
True Oil LLC	BOG	1/4/2016	Spill or Release	5 Barrels		Flow Line - Injection	Yes	47.69997	-104.22246	Richland	22N-58E-1 SENW
Vanguard Operating, LLC	BOG	1/4/2016	Spill or Release	30 Barrels		Treater	Yes	47.80845	-104.31887	Richland	24N-58E-30 SESE
Slawson Exploration Company Inc	BOG	1/5/2016	Spill or Release	25 Barrels		Well Head	Yes	47.60080	-104.16075	Richland	21N-59E-4 S2SW
Beren Corporation	BOG	1/6/2016	Spill or Release	10 Barrels		Tank or Tank Battery	Yes	48.89783	-112.33396	Glacier	36N-6W-12 NEN
Whiting Oil and Gas Corporation	BOG	1/13/2016	Spill or Release		70 Barrels	Trucking/Transportati	Yes	47.88042	-104.10357	Richland	25N-59E-33 NWN
Denbury Onshore, LLC	FED	1/15/2016	Spill or Release		30 Barrels	Flow Line - Production	No	46.42465	-104.31825	Fallon	8N-59E-26 NWN
Denbury Onshore, LLC	BOG	1/19/2016	Spill or Release	2 Barrels	6 Barrels	Flow Line - Production	No	46.64879	-104.47051	Fallon	10N-58E-6 SENW
Anadarko Minerals, Inc.	BOG	1/22/2016	Spill or Release		100 Barrels	Tank or Tank Battery	Yes	48.40199	-106.09383	Valley	31N-43E-35 SWN
Anadarko Minerals, Inc.	BOG	1/23/2016	Spill or Release	246 Barrels		Tank or Tank Battery	No	48.39135	-105.99121	Valley	30N-44E-3 NENW
Triangle USA Petroleum Corporation	BOG	1/24/2016	Spill or Release	21 Gallons		Treater	No	48.44814	-104.12378	Sheridan	31N-58E-12 SES
Slawson Exploration Company Inc	BOG	1/26/2016	Spill or Release		55 Barrels	Tank or Tank Battery	Yes	47.74773	-104.95982	Richland	23N-53E-18 SESE
Denbury Onshore, LLC	BOG	1/28/2016	Spill or Release		95 Barrels	Tank or Tank Battery	Yes	46.96400	104.77000	Dawson	14N-55E-17 SESE
XTO Energy Inc.	BOG	2/6/2016	Spill or Release	10 Barrels		Flare Pit	No	47.86640	-104.58588	Richland	24N-56E-6 NW
Denbury Onshore, LLC	BOG	2/11/2016	Spill or Release		1 Barrels	Flow Line - Production	No	46.33495	-104.13515	Fallon	7N-61E-30 SWNW
Denbury Onshore, LLC	FED	2/12/2016	Spill or Release		20 Barrels	Flow Line - Production	Yes	46.73053	-104.56138	Wibaux	11N-57E-4 SWSW
Statoil Oil & Gas LP	BOG	2/12/2016	Spill or Release	5 Gallons		Flare Pit	No	48.01505	-104.14176	Richland	26N-59E-7 SESE
Denbury Onshore, LLC	BOG	2/17/2016	Spill or Release	2 Barrels		Well Head	Yes	45.13324	-105.06646	Powder River	8S-54E-23 NWNE
Anadarko Minerals, Inc.	BOG	2/17/2016	Spill or Release		50 Barrels	Tank or Tank Battery	Yes	48.35826	-105.87184	Valley	30N-45E-16 NENE
Denbury Onshore, LLC	BOG	2/18/2016	Spill or Release		5209 Barrels	Flow Line - Injection	No	46.62010	-104.45500	Fallon	10N-58E-17 NEN
Denbury Onshore, LLC	BOG	2/18/2016	Spill or Release		5000 Barrels	Flow Line - Injection	No	46.62004	-104.45538	Fallon	10N-58E-17 SWN
Denbury Onshore, LLC	BOG	2/20/2016	Spill or Release		200 Barrels	Flow Line - Injection	No	46.72068	-104.52096	Wibaux	11N-57E-10 NESE
Denbury Onshore, LLC	BOG	2/22/2016	Spill or Release	5 Barrels	1 Barrels	Flow Line - Production	No	46.58160	-104.43094	Fallon	10N-58E-33 NEN
Abraxas Petroleum Corporation	BOG	2/23/2016	Spill or Release	10 Barrels		Treater	No	48.63004	-104.46446	Sheridan	33N-55E-12 SEN
Continental Resources Inc	BOG	2/28/2016	Fire			Flare Pit	No	47.93818	-104.67918	Richland	25N-54E-12 NENE
Denbury Onshore, LLC	BOG	2/29/2016	Spill or Release	3 Barrels	7 Barrels	Vessel/Container	Yes	46.39615	-104.25414	Fallon	8N-60E-32 SESW
Bayswater Exploration & Production, LLC	BOG	3/10/2016	Spill or Release		150 Barrels	Flow Line - Production	Yes	46.61965	-108.37834	Musselshell	10N-27E-19 NEN