

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING OIL AND GAS OPERATIONS' NOTICE REQUIREMENTS;
5 REQUIRING NOTICE BE PROVIDED TO CERTAIN PROPERTY OWNERS; DEFINING TERMS; REQUIRING
6 NOTICE TO ALLOW FOR THE EVALUATION OF DRILLING AND COMPLETION OPERATIONS; AND
7 AMENDING SECTIONS 82-10-502 AND 82-10-503, MCA."

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10

11 **Section 1.** Section 82-10-502, MCA, is amended to read:

12 **"82-10-502. Definitions.** As used in this part, the following definitions apply:

13 (1) "Agricultural production" means the production of any growing grass, crops, or trees attached to the
14 surface of the land or farm animals with commercial value.

15 (2) "Lost land value" means the value of the highest and best reasonably available use of the land
16 directly utilized by oil and gas operations and production, other than uses appurtenant to the mineral estate.

17 (3) "Occupied dwelling" means any permanent structure that is:

18 (a) designed to be primarily occupied by humans as a dwelling;

19 (b) being used for human habitation; and

20 (c) within 660 feet of a wellbore's surface location at a proposed drilling operation.

21 ~~(3)~~(4) "Oil and gas developer or operator" means the person who acquires the oil and gas lease for the
22 purpose of extracting oil and gas.

23 ~~(4)~~(5) "Oil and gas estate" means an estate in or ownership of all or part of the oil and gas underlying
24 a specified tract of land.

25 ~~(5)~~(6) "Oil and gas operations" means the exploration for or drilling of an oil and gas well that requires
26 entry upon the surface estate and is begun subsequent to June 1, 1981, and the production operations directly
27 related to the exploration or drilling.

28 ~~(6)~~(7) "Reasonably available use" means the present use or a future use for which a permit, if necessary,
29 has been issued under applicable law.

30 ~~(7)~~(8) "Surface owner" means the person who holds record title to or has a purchaser's interest in the

1 surface of the land."

2
3 **Section 2.** Section 82-10-503, MCA, is amended to read:

4 **"82-10-503. Notice of drilling and completion operations.** (1) In addition to the requirements for
5 geophysical exploration activities governed by Title 82, chapter 1, part 1, the oil and gas developer or operator
6 shall give the surface owner, the owner of an occupied dwelling, and any purchaser under contract for deed
7 written notice of the drilling and completion operations that the oil and gas developer or operator plans to
8 undertake. The notice must be given to the record surface owner, the owner of an occupied dwelling, and any
9 purchaser under contract for deed at their addresses as shown by the records of the county clerk and recorder
10 at the time the notice is given. The notice must include a copy of this part and, if available, a current publication
11 produced by the environmental quality council entitled "A Guide to Split Estates in Oil and Gas Development".
12 The notice must sufficiently disclose the plan of work and operations to enable the surface owner or the owner
13 of an occupied dwelling to evaluate the effect of drilling and completion operations on the surface owner's or the
14 occupied dwelling owner's use of the property. The notice must be given no more than 180 days and no fewer
15 than 20 days before any activity that disturbs the land surface. The surface owner or the owner of an occupied
16 dwelling may waive the notice requirement.

17 (2) The surface owner or the owner of an occupied dwelling is responsible for providing the name and
18 address of the oil and gas developer or operator to any lessees, tenants, or other parties responsible for surface
19 operations on the property.

20 (3) Prior to the oil and gas developer or operator providing the notice required in subsection (1), a person
21 qualified under 70-16-111 may enter the land to investigate and use boundary evidence and perform boundary,
22 well site location, and access road surveys if the notice requirements of 70-16-111 are met. However, the oil and
23 gas developer or operator shall provide the notice required pursuant to subsection (1) prior to any activity that
24 disturbs the land surface."

25 - END -

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 adoption of New) NOTICE OF ADOPTION
Rule I pertaining to notification of)
application for permit to drill)

To: All Concerned Persons

1. On September 2, 2016, the Board of Oil and Gas Conservation (board) and the Department of Natural Resources and Conservation (department) published MAR Notice No. 36-22-193 regarding the proposed amendment of the above-stated rule at page 1531 of the 2016 Montana Administrative Register, Issue Number 17.

2. The board has adopted the above-stated rule as proposed.

3. The board has thoroughly considered the comments and testimony received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: Commenters submitted comments that support the rule. Multiple comments stated, "[the rule] is an important improvement to the Board's administrative rules that will foster robust public participation by better enabling Montanans living near well proposals to take full advantage of the Board's broad definition of interested persons and to meaningfully participate in the permit process."

RESPONSE: The board appreciates the comments and support.

COMMENT 2: A commenter submitted a comment that oil and gas operators be required to post a bond on their drilling operations.

RESPONSE: The board appreciates the comment. The rules currently require operators to post plugging and restoration bonds under ARM 36.22.1308.

COMMENT 3: Some commenters requested a numeric setback requirement ranging from 1,320 feet to at least one mile from any structure.

RESPONSE: The board appreciates the comments. The board established a committee to look at the benefits and concerns associated with establishing a numeric setback in Montana. The committee concluded a numeric setback distance would be challenging to establish due to the varied oil and gas operations across the state. The committee felt increased notification would allow better communication

between owners of occupied structures and operators, and allow the board to look at disagreements on a case-by-case basis.

COMMENT 4: Some commenters requested that written notice be given to owners of occupied dwellings and owners of ground water wells within one mile of the proposed drilling site.

RESPONSE: The board appreciates the comments. Based upon review of historical activity and of existing notice requirements, the committee recommended notification to owners of occupied structures within a distance of 1,320 feet of a proposed well. The board approved the recommendation.

COMMENT 5: Commenters expressed concern regarding water and soil quality, the risk of groundwater pollution from drilling, and earthquakes.

RESPONSE: The board appreciates the comments. The board believes the time to establish protections for water and soil quality, the risk of groundwater pollution from drilling, and earthquakes is during the permitting process. The new notification rule would notify owners of occupied structures within 1,320 feet of the well site prior to a permit being issued and allow concerns to be brought to the board during the permitting process.

COMMENT 6: A commenter requested “reasonable notification” to be more clearly defined.

RESPONSE: The board appreciates the comment. The board believes that for the purpose of this rule, a specific definition for “reasonable notice” is unnecessary and could hinder the permit applicant’s ability to directly communicate with an owner of an occupied structure.

COMMENT 7: A commenter requested the board adopt the drilling notice and not defer the decision to the legislature. Another commenter disagreed that the board has the authority to adopt the drilling notification and that the upcoming legislative session will have drilling notification legislation.

RESPONSE: The board appreciates the comment. The board has the authority to adopt this rule under 82-11-122, 82-11-127, 82-11-134, 82-11-141, MCA, and the board voted to adopt the drilling notice requirement prior to the legislative session.

COMMENT 8: A commenter stated it is an undue burden on landowners to continually monitor legal postings in the newspapers or online.

RESPONSE: The board appreciates the comment. The new notification rule would require operators to ensure that the owners of occupied structures closest to drilling activity would directly receive notice of the proposed activity.

COMMENT 9: A commenter requested confirmation that the proposed rule will not replace ARM 36.22.601.

RESPONSE: The board appreciates the comment. The proposed rule will be in addition to ARM 36.22.601.

COMMENT 10: A commenter stated that the certificate of service is unnecessary and that failure to provide the certificate of service to the permit applicant and the board should not preclude the opportunity for a hearing.

RESPONSE: The board appreciates the comment. The certificate of service provides evidence that the demand for opportunity to be heard was served upon the permit applicant. Requiring a certificate of service that the applicant was notified of the potential protest is not unreasonable.

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

/s/ Rob Stutz
ROB STUTZ
Rule Reviewer

Certified to the Secretary of XXXXX, 2016.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION



STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

November 15, 2016

Mr. Robert Spoklie
700 White Basin Rd
Kalispell, Mt 59901

Re: Spoklie 1-24 well, T 34 N, R 57 E, Section 1, Sheridan County, Montana

Dear Mr. Spoklie,

The Board of Oil and Gas Conservation has been provided additional information regarding the ability of Coalridge Disposal and Petroleum, Inc. to plug and abandon the Spoklie 1-24 well as you requested at the Board's October 26, 2016 business meeting.

Mr. Larry O'Toole, the attorney for Coalridge, submitted a copy of a court order issued on October 21, 2013 that prevents Coalridge Disposal and Petroleum or any other defendant from removing any personal property or plugging the Spoklie #1-24 well. It is our understanding that this order is still in effect.

Due to the existence of the court order we see that no further action by the Board can be taken at this time. The Board will be provided copies of the order at its December 14, 2016, business meeting.

Sincerely,

A handwritten signature in cursive script that reads "James W. Halvorson".

James W. Halvorson
Administrator / Petroleum Geologist

cc: Coalridge Disposal and Petroleum, Inc.

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040

NORTHERN FIELD OFFICE
201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

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NOV 14 2016

MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

DV-46-2013-24

FILED

OCT 22 2013

TERESA McCAULEY

Clerk of District Court

By Kristin Koehn Deputy

MONTANA FIFTEENTH JUDICIAL DISTRICT COURT, SHERIDAN COUNTY

| | | |
|----------------------------|---|----------------------|
| SPOKLIE FAMILY LLC., et al |) | Judge David Cybulski |
| |) | |
| Plaintiffs |) | Cause NO. DV-13-24 |
| -vs- |) | |
| TRACY JUSTICE, COALRIDGE |) | |
| DISPOSAL AND PETROLEUM CO. |) | ORDER |
| et al |) | |
| Defendants |) | |

In this matter the fundamental facts are Plaintiffs, Spoklies, recently inherited the property at issue from their uncle Howard Spoklie. The property was leased for oil production in 1977 and the Spoklie #1-24 well was drilled in 1979. Coalridge became the well operator in 1982, and in the following years through the end of the term of the 1977 lease, no oil or gas was produced. From 1986 through 1996 the #1-24 well had sporadically production with that production under an oral agreement between uncle Howard and Coalridge. The Plaintiffs or their predecessors in interest have paid all of the real property taxes on the property. The property has recently been leased for oil and gas production to Duncan Oil Partners LLC. and that lease is still in effect and has been farmed out to Justice SWD under an agreement made August 13, 2013. Coalridge remains liable under the bonding statutes for plugging the #1-24 well, but has taken no action to perform under that obligation. No state agency or person otherwise has taken action to compel Coalridge to perform.

The stock ownership of Coalridge has changed throughout the time periods above. Duncan Oil Partners LLC and Justice SWD are not currently parties to this action.

Spoklie believes Coalridge is now going to plug the #1-24 well to thwart Spoklie's desire to use the well in direct competition to Coalridge and its current shareholders other business

interests.

Defendants claim they are required under the farmout agreement to commence operations before December 1, 2013. Coalridge is a Defendant, Justice SWD is not a party to the action.

It is reasonably at issue but unlikely that property of Coalridge remaining on the property is not a fixture. Fixtures would attach to the real property, and the time for adverse possession has passed, making ownership of the realty and fixtures presumably in Plaintiff. Coalridge's rights to remove fixtures on the property would have expired with the lease

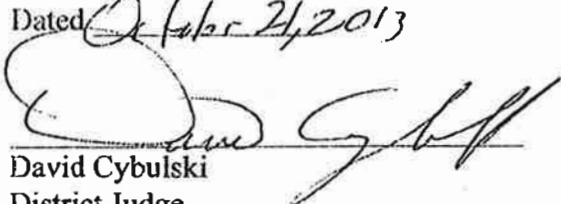
It is reasonable to believe that Plaintiff will prevail on the issue that the lease Coalridge is operating under terminated in 1996. Coalridge has a bonded obligation to plug the #1-24 well, but has no ownership interest in the well or its fixtures.

Although Coalridge operates two other disposal wells, there was no demonstrating Coalridge is anything other than a shell corporation, without assets with which to pay damages. Coalridge does have bonding to assure its obligations for plugging. Coalridge has avoided or delayed its obligation to plug for decades, no one is pressing Coalridge to perform that obligation. Delaying plugging during the pendency of this action is not adverse to the public interest.

Preventing plugging of the #1-24 well will harm no one during the pendency of this action. The farmout agreement between Duncan Oil Partners LLC. and Justice SWD requires drilling, not plugging. Coalridge, at worst, delays funding an obligation, something it has delayed doing since 1996.

Plaintiff's request for a preliminary injunction enjoining Coalridge Disposal and Petroleum or any other Defendant from removing any personal property or plugging the Spoklie #1-24 well is GRANTED.

Dated October 24, 2013


David Cybulski
District Judge

CERTIFICATE OF SERVICE

This is to certify that the foregoing was duly served by mail upon all attorneys of record at their address or addresses on the 24th day of October 2013.

CLERK OF DISTRICT COURT

By Kristin Kelm, Deputy Clerk
100 W. Laurel Avenue
Plentywood, MT 59254

* Luke Casey & Brian Lee
* Loren J. O'Toole II

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NOV 14 2016

MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

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

As of 12/8/2016

Fiscal Year 2017: Percent of Year Elapsed - 44%

| | | Budget | Expends | Remaining | % |
|------------|---------------------------------|------------------|----------------|------------------|-------------|
| Regulatory | Personal Services | 1,312,453 | 429,123 | 883,330 | 32.7 |
| UIC | Personal Services | 211,630 | 70,363 | 141,267 | 33.2 |
| | Total Expended | 1,524,083 | 499,486 | 1,024,597 | 32.8 |
| Regulatory | Equipment & Assets | 39,477 | - | 39,477 | 0.0 |
| UIC | Equipment & Assets | 17,073 | - | 17,073 | 0.0 |
| | Total Expended | 56,550 | - | 56,550 | 0.0 |
| Regulatory | Operating Expenses: | | | | |
| | Contracted Services | 175,279 | 56,918 | 118,361 | 32.5 |
| | Supplies & Materials | 48,500 | 13,048 | 35,452 | 26.9 |
| | Communication | 49,835 | 16,034 | 33,801 | 32.2 |
| | Travel | 38,000 | 8,622 | 29,378 | 22.7 |
| | Rent | 33,000 | 12,851 | 20,149 | 38.9 |
| | Utilities | 20,615 | 6,728 | 13,887 | 32.6 |
| | Repair/Maintenance | 21,234 | 9,524 | 11,710 | 44.9 |
| | Other Expenses | 25,614 | 6,460 | 19,154 | 25.2 |
| | Total Operating Expenses | 412,077 | 130,185 | 281,892 | 31.6 |
| UIC | Operating Expenses: | | | | |
| | Contracted Services | 16,152 | 7,551 | 8,601 | 46.7 |
| | Supplies & Materials | 12,561 | 2,207 | 10,354 | 17.6 |
| | Communication | 8,350 | 2,825 | 5,525 | 33.8 |
| | Travel | 9,213 | 775 | 8,438 | 8.4 |
| | Rent | 4,175 | 1,097 | 3,078 | 26.3 |
| | Utilities | 7,000 | 1,063 | 5,937 | 15.2 |
| | Repair/Maintenance | 9,000 | 1,804 | 7,196 | 20.0 |
| | Other Expenses | 15,052 | 1,100 | 13,952 | 7.3 |
| | Total Operating Expenses | 81,503 | 18,421 | 63,082 | 22.6 |
| | Total Expended | 493,580 | 148,606 | 344,974 | 30.1 |

Percent of 2017 Budget: Calculated off of February 2017 14 and 2017 Expends Calculated off of 2017 Budget

| | Budget | Expends | Remaining | % |
|--------------------|----------------|----------------|------------------|------------|
| Carryforward FY15 | | | | |
| Personal Services | 40,249 | - | 40,249 | 0.0 |
| Operating Expenses | 80,497 | - | 80,497 | 0.0 |
| Equipment & Assets | 80,497 | - | 80,497 | 0.0 |
| Total | 201,243 | - | 201,243 | 0.0 |

| Funding Breakout | Regulatory Budget | Regulatory Expends | UIC Budget | UIC Expends | 2017 Total Budget | 2017 Total Expends | % |
|--|--------------------------|---------------------------|-------------------|--------------------|--------------------------|---------------------------|-------------|
| State Special | 1,764,007 | 559,308 | 310,206 | 88,784 | 2,074,213 | 648,092 | 31.2 |
| Federal 2016 UIC (10-1-2015 to 9-30-2016) | | | 108,000 | 108,000 | 108,000 | 108,000 | 100.0 |
| Federal 2017 UIC (10-1-2016 to 9-30-2017) | | | 105,676 | - | 105,676 | - | 0.0 |
| Total | 1,764,007 | 559,308 | 523,882 | 196,784 | 2,287,889 | 756,092 | 33.0 |

Percent of 2017 Budget: Calculated off of February 2017 14 and 2017 Expends Calculated off of 2017 Budget

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT as of 12/8/16

| | FY 17 | FY 16 |
|------------------------------|------------------|---------------------|
| Oil & Gas Production Tax | \$ - | \$ 813,345 |
| Oil Production Tax | - | 758,083 |
| Gas Production Tax | - | 55,261 |
| Drilling Permit Fees | 6,750 | 15,025 |
| UIC Permit Fees | 7,600 | 239,600 |
| Interest on Investments | 3,910 | 10,513 |
| Copies of Documents | 145 | 1,407 |
| Public Information Request | 221 | |
| Miscellaneous Reimbursements | - | 37,500 |
| TOTAL | \$ 18,626 | \$ 1,117,390 |

REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 12/8/16

| | FY 17 | FY 16 |
|--------------------------|-----------------|---------------------|
| RIT Investment Earnings: | \$ - | \$ 490,672 |
| July | - | - |
| August | - | - |
| September | - | 49,110 |
| October | - | 40,670 |
| November | - | 37,753 |
| December | - | 49,344 |
| January | - | 37,052 |
| February | - | 37,189 |
| March | - | 47,949 |
| April | - | 35,271 |
| May | - | 36,482 |
| June | - | 119,853 |
| Bond Forfeitures: | - | 234,904 |
| Interest on Investments | 2,460 | 2,016 |
| TOTAL | \$ 2,460 | \$ 1,218,264 |

INVESTMENT ACCOUNT BALANCES as of 12/8/16

| | |
|---------------------------|--------------|
| Regulatory Account | \$ 1,299,720 |
| Damage Mitigation Account | \$ 1,017,723 |

REVENUE INTO GENERAL FUND FROM FINES as of 12/8/16

| | FY 17 |
|---|-----------------------|
| STEALTH ENERGY INC | 7/1/16 \$ 1,420 |
| ENERGY QUEST II LLC | 7/8/16 80 |
| HOFLAND JAMES D | 7/8/16 70 |
| MONTANA LAND AND MINERAL COMPANY | 7/8/16 60 |
| UNIT PETROLEUM COMPANY | 7/8/16 60 |
| VECTA OIL AND GAS LTD | 7/8/16 60 |
| TNT OIL LLC | 7/15/16 60 |
| STATOIL & GAS LP | 8/1/16 420 |
| RINCON OIL AND GAS LLC | 8/19/16 70 |
| MONTANA LAND AND EXPLORATION INC | 9/2/16 60 |
| WHITING OIL AND GAS CORP | 9/9/16 250 |
| GRASSY BUTTE LLC | 9/16/16 70 |
| TEMPEL CONTRACTING INC | 9/16/16 80 |
| SOLOMON EXPLORATION/SOLOMON, TED/GAIL | 9/23/16 60 |
| RANCH OIL CO INC | 9/30/16 60 |
| YELLOWSTONE PETROLEUMS INC | 10/6/16 50 |
| BRAINSTORM ENERGY INC | 10/7/16 60 |
| BRAINSTORM ENERGY INC | 10/7/16 60 |
| YELLOWSTONE PETROLEUMS INC | 10/7/16 70 |
| MOUNTAIN VIEW ENERGY INC | 10/11/16 120 |
| SHADWELL RESOURCES GROUP LLC | 10/11/16 1,000 |
| HERCO EXPLORATION LLC | 10/14/16 70 |
| COALRIDGE DISPOSAL AND PETROLEUM | 10/21/2016 90 |
| JUSTIC SWD LLC | 10/21/2016 80 |
| MONTANA OILFIELD ACQUISITION I LLC | 10/28/2016 220 |
| BALLANTYNE VENTURES LLC | 11/4/2016 90 |
| MCOIL MONTANA ONE LLC | 11/9/2016 110 |
| SLOHCIN INC | 11/9/2016 70 |
| WIND RIVER HYDROCARBONS | 11/9/2016 70 |
| SDOCO LLC | 11/18/2016 60 |
| SHADWELL RESOURCES GROUP LLC | 11/18/2016 90 |
| TOTAL | \$ 5,190 |

GRANT BALANCES - 12/8/16

| <u>Name</u> | <u>Authorized Amt*</u> | <u>Expended</u> | <u>Balance</u> | <u>Expiration Date</u> |
|---|------------------------|-------------------|-------------------|------------------------|
| 2011Southern - TankBattery2 RIT 12-8723 | \$ 204,951 | \$ 170,173 | \$ 34,778 | 9/30/2016 |
| 2011 Northern/Eastern RIT 13-8753 | 332,642 | 218,223 | 114,419 | 9/30/2016 |
| TOTAL | \$ 537,593 | \$ 388,397 | \$ 149,196 | |

* includes match requirement for grant

CONTRACT BALANCES - 12/8/16

| <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 | \$ 568,495 | \$ 295,410 | Under Contract | 12/31/2017 |
| 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 | - | Completed | 8/31/2017 |
| Agency Legal Services 2017 | 70,000 | 23,918 | 46,082 | Under Contract | 6/30/2017 |
| COR Enterprises - Billings Janitorial | 15,188 | 4,761 | 10,427 | Under Contract | 6/30/2017 |
| Kelly #1 Well | 19,360 | 12,744 | 6,616 | Completed | 7/31/2016 |
| Big Wall Site | 18,451 | 18,450 | - | Completed | 9/30/2016 |
| Re-Enter, Re-Plug, and Reclaim Kopp #1 Well | 263,930 | 249,937 | 13,993 | Completed | 11/1/2016 |
| Flack #1 Plugging | 45,493 | - | 45,493 | Under Contract | 12/31/2016 |
| O&G Plugging FY 2017 (A) | 177,504 | - | 177,504 | Under Contract | 4/1/2016 |
| TOTAL | \$ 1,474,630 | \$ 879,105 | \$ 595,525 | | |

**Agency Legal Services
Expenditures in FY17**

| <u>Case</u> | <u>Amt Spent</u> |
|--------------|------------------|
| BOGC Duties | \$ 11,010 |
| Hekkel | 139 |
| CCRC | 711 |
| Omimex | - |
| Ostby | - |
| Interstate | 3,486 |
| Malsam | 4,592 |
| Hydraulic | 3,981 |
| Total | \$ 23,918 |

Budget Overview

Governor's Published Budget - Oil & Gas

| | FY 2018 | FY 2019 |
|-------------------------|---------------|---------------|
| Beginning Balance | (\$226,067) | (\$1,935,340) |
| Disbursements * | (\$2,888,396) | (\$2,888,396) |
| Present Law Adjustments | \$228,523 | \$222,221 |
| New Proposals ** | (\$300,000) | (\$300,000) |
| Revenue | \$1,250,600 | \$1,355,500 |
| Ending Balance | (\$1,935,340) | (\$3,546,015) |

Published Budget, Corrected Tax Rate

| | FY 2018 | FY 2019 |
|-------------------------|---------------|---------------|
| Beginning Balance | (\$226,067) | (\$36,997) |
| Disbursements | (\$2,888,396) | (\$2,888,396) |
| Present Law Adjustments | \$228,523 | \$222,221 |
| New Proposals | (\$300,000) | (\$300,000) |
| Revenue | \$3,148,943 | \$3,498,455 |
| Ending Balance | (\$36,997) | \$495,283 |

O & G \$ Forecast - Budgeted Expenditures

| | | |
|-------------------------|---------------|---------------|
| Beginning Balance | \$95,870 | \$108,166 |
| Disbursements * | (\$2,888,396) | (\$2,888,396) |
| Present Law Adjustments | \$228,523 | \$222,221 |
| New Proposals ** | (\$300,000) | (\$300,000) |
| Revenue | \$2,972,169 | \$2,822,354 |
| Ending Balance | \$108,166 | (\$35,655) |

O & G \$ Forecast - Excluding New Proposal

| | | |
|-------------------------|---------------|---------------|
| Beginning Balance | \$95,870 | \$408,166 |
| Disbursements | (\$2,888,396) | (\$2,888,396) |
| Present Law Adjustments | \$228,523 | \$222,221 |
| New Proposals | \$0 | \$0 |
| Revenue | \$2,972,169 | \$2,822,354 |
| Ending Balance | \$408,166 | \$564,345 |

* Budget includes approximately \$459,000 per year (\$919,041 for biennium) for sage grouse program.

** New Proposal is \$300,000 per year (\$600,000 for biennium) directed to Higher Education / Montana Tech.

Oil and Gas Revenue (Excludes Other Income)

| | | Oil - Bbls | Gas - BCF | Oil - Value | Gas - Value | Total | Tax Rate | P & L |
|---------|---------|------------|-----------|-----------------|--------------|-----------------|----------|-------------|
| Budget: | FY 2018 | 19,958,000 | 36.215 | \$952,981,000 | \$86,555,000 | \$1,039,536,000 | 0.003 | \$3,118,608 |
| | FY 2019 | 19,358,000 | 36.128 | \$1,069,485,000 | \$83,676,000 | \$1,153,161,000 | 0.003 | \$3,459,483 |

| | | | | | | |
|------|---------|---------|--------------|------|----------|---------|
| Oil: | WTI | Montana | Differential | Gas: | National | Montana |
| | \$52.12 | \$48.98 | (\$3.14) | | \$3.05 | \$2.48 |
| | \$60.47 | \$56.68 | (\$3.79) | | \$2.95 | \$2.41 |

| | | Oil - Bbls | Gas - BCF | Oil - Value | Gas - Value | | | |
|-----------|---------|------------|------------|---------------|--------------|---------------|-------|-------------|
| Internal: | FY 2018 | 20,206,830 | 43,025,000 | \$828,480,030 | \$76,154,250 | \$904,634,280 | 0.003 | \$2,713,903 |
| | FY 2019 | 18,007,374 | 40,357,000 | \$783,320,769 | \$71,431,890 | \$854,752,659 | 0.003 | \$2,564,258 |

| | | | | | | | |
|---------|------|---------|---------|--------------|---|------|--------|
| | Oil: | WTI | Montana | Differential | Gas: | Flat | \$1.77 |
| FY 2018 | | \$48.00 | \$41.00 | (\$7.00) | (Recent collections reflect \$1.10 and \$1.62 / mcf.) | | |
| FY 2019 | | \$50.50 | \$43.50 | (\$7.00) | | | |

| | | ND Sweet | ND South | Average | WTI | Revenue | |
|--------------------------|--------------------------|----------|----------|----------------|----------------|----------------|-----------------|
| History of Differential: | Apr-16 | \$30.00 | \$32.00 | \$31.00 | \$40.75 | | |
| | May-16 | \$33.00 | \$39.00 | \$36.00 | \$46.71 | | |
| | Jun-16 | \$38.00 | \$41.00 | \$39.50 | \$48.76 | | |
| | Quarterly Average | | | \$35.50 | \$45.41 | \$38.00 | (\$7.41) |

| | | | | | | | | | | | | | | | | | | | | |
|------------|---------|---------|----------|-------------------|------------|---------------|--------------|------------|--------------|------------|--------------|------------------------------|--------------------|-------------------|---------|--------|--------|--------------|-------------|--|
| 12/12/2016 | | | | | | | Expenditures | | | | | | | | | | | | | |
| Month | Months | CY | FY | Beginning Balance | Revenue | Disbursements | Budgeted | Expended | Transfers | Misc | End Balance | Prod Receipt (tax period) | Oil Prod (bbls) | Gas Prod (mcf) | Oil \$ | Gas \$ | Tax | Oil Value | Gas Value | |
| 0 | Oct-Dec | 4Q-2014 | FY 15 Q2 | | | | | | | | | | | | | | | | | |
| 1 | Jan-Mar | 1Q-2015 | FY 15 Q3 | | | | | | 1,350,000.00 | | | | | | | | | | | |
| 2 | Apr-Jun | 2Q-2015 | FY 15 Q4 | | | | | | - | | | x | 7,810,865 | 12,179,729 | | | | (Estimated) | | |
| 3 | Jul-Sep | 3Q-2015 | FY 16 Q1 | 3,990,170.51 | | | 508,808.00 | 380,681.51 | 162,357.22 | 69,474.50 | 3,383,390.01 | | 7,601,245 | 11,871,092 | | | 0.0009 | \$255,989.57 | \$22,259.96 | |
| 4 | Oct-Dec | 4Q-2015 | FY 16 Q2 | 3,383,390.01 | | | 508,808.00 | 362,773.02 | 168,817.25 | 91,207.49 | 2,822,075.43 | | 7,298,987 | 12,106,945 | | | 0.0009 | \$311,792.35 | \$19,901.64 | |
| 5 | Jan-Mar | 1Q-2016 | FY 16 Q3 | 2,822,075.43 | 499,017.61 | 734,812.05 | 508,808.00 | 443,659.70 | 148,989.92 | 142,162.43 | 2,543,878.99 | CY 3Q-2015 | 6,927,288 | 12,117,577 | | | 0.0009 | \$222,612.23 | \$19,357.59 | |
| 6 | Apr-Jun | 2Q-2016 | FY 16 Q4 | 2,543,878.99 | 241,199.58 | 694,429.94 | 508,808.00 | 480,519.77 | 155,654.61 | 58,255.56 | 2,090,648.63 | CY 4Q-2015 | 6,593,334 | 11,926,311 | | | 0.0009 | \$183,954.02 | \$18,998.61 | |
| 7 | Jul-Sep | 3Q-2016 | FY 17 Q1 | 2,090,648.63 | 151,843.36 | 504,188.36 | 518,553.25 | 306,979.00 | 180,507.36 | 16,702.00 | 1,738,303.63 | CY 1Q-2016 | 6,252,329 | 11,738,064 | | | 0.0009 | \$144,278.73 | \$18,698.74 | |
| 8 | Oct-Dec | 4Q-2016 | FY 17 Q2 | 1,738,303.63 | 241,343.97 | 1,006,036.85 | 518,553.25 | 450,000.00 | 390,051.21 | 165,985.63 | 973,610.76 | CY 2Q-2016 | 5,963,118 | 11,552,789 | \$38.00 | \$1.10 | 0.0009 | \$203,938.65 | \$11,437.26 | |
| 9 | Jan-Mar | 1Q-2017 | FY 17 Q3 | 973,610.76 | 424,824.02 | 1,006,036.85 | 518,553.25 | 450,000.00 | 390,051.21 | 165,985.63 | 392,397.93 | CY 3Q-2016 | 5,711,869 | 11,370,438 | \$38.00 | \$1.62 | 0.0009 | \$195,345.92 | \$16,578.10 | |
| 10 | Apr-Jun | 2Q-2017 | FY 17 Q4 | 392,397.93 | 724,390.91 | 1,006,036.85 | 518,553.25 | 450,000.00 | 390,051.21 | 165,985.63 | 110,751.99 | CY 4Q-2016 | 5,497,224 | 11,190,966 | \$40.00 | \$1.77 | 0.0030 | \$659,666.88 | \$59,424.03 | |
| 11 | Jul-Sep | 3Q-2017 | FY 18 Q1 | 110,751.99 | 699,936.08 | 814,968.25 | 512,398.25 | 512,398.25 | 265,257.25 | 37,312.75 | (4,280.18) | CY 1Q-2017 | 5,301,250 | 11,014,328 | \$40.00 | \$1.77 | 0.0030 | \$636,150.00 | \$58,486.08 | |
| 12 | Oct-Dec | 4Q-2017 | FY 18 Q2 | (4,280.18) | 709,214.09 | 814,968.25 | 512,398.25 | 512,398.25 | 265,257.25 | 37,312.75 | (110,034.33) | CY 2Q-2017 | 5,124,593 | 10,840,477 | \$40.00 | \$1.77 | 0.0030 | \$614,951.16 | \$57,562.93 | |
| 13 | Jan-Mar | 1Q-2018 | FY 18 Q3 | (110,034.33) | 895,019.12 | 664,968.25 | 512,398.25 | 512,398.25 | 115,257.25 | 37,312.75 | 120,016.53 | CY 3Q-2017 | 4,964,006 | 10,669,371 | \$42.00 | \$1.77 | 0.0030 | \$625,464.76 | \$56,654.36 | |
| 14 | Apr-Jun | 2Q-2018 | FY 18 Q4 | 120,016.53 | 667,999.73 | 664,968.25 | 512,398.25 | 512,398.25 | 115,257.25 | 37,312.75 | 123,048.02 | CY 4Q-2017 | 4,816,981 | 10,500,966 | \$42.00 | \$1.77 | 0.0030 | \$606,939.61 | \$55,760.13 | |
| 15 | Jul-Sep | 3Q-2018 | FY 19 Q1 | 123,048.02 | 650,054.18 | 816,543.75 | 513,556.00 | 513,556.00 | 265,274.00 | 37,713.75 | (43,441.55) | CY 1Q-2018 | 4,681,541 | 10,335,219 | \$42.00 | \$1.77 | 0.0030 | \$589,874.17 | \$54,880.01 | |
| 16 | Oct-Dec | 4Q-2018 | FY 19 Q2 | (43,441.55) | 664,783.15 | 816,543.75 | 513,556.00 | 513,556.00 | 265,274.00 | 37,713.75 | (195,202.16) | CY 2Q-2018 | 4,556,106 | 10,172,089 | \$42.00 | \$1.77 | 0.0030 | \$574,069.36 | \$54,013.79 | |
| 17 | Jan-Mar | 1Q-2019 | FY 19 Q3 | (195,202.16) | 865,355.96 | 666,543.75 | 513,556.00 | 513,556.00 | 115,274.00 | 37,713.75 | 3,610.05 | CY 3Q-2018 | 4,439,390 | 10,007,214 | \$45.00 | \$1.77 | 0.0030 | \$599,317.65 | \$53,138.31 | |
| 18 | Apr-Jun | 2Q-2019 | FY 19 Q4 | 3,610.05 | 642,160.63 | 666,543.75 | 513,556.00 | 513,556.00 | 115,274.00 | 37,713.75 | (20,773.07) | CY 4Q-2018 | 4,330,337 | 9,842,775 | \$45.00 | \$1.77 | 0.0030 | \$584,595.50 | \$52,265.14 | |

Quarter-End Balance

| Fiscal Year / Quarter | End Balance |
|-----------------------|--------------|
| FY 15 Q2 | |
| FY 15 Q3 | |
| FY 15 Q4 | |
| FY 16 Q1 | 3,383,390.01 |
| FY 16 Q2 | 2,822,075.43 |
| FY 16 Q3 | 2,543,878.99 |
| FY 16 Q4 | 2,090,648.63 |
| FY 17 Q1 | 1,738,303.63 |
| FY 17 Q2 | 973,610.76 |
| FY 17 Q3 | 392,397.93 |
| FY 17 Q4 | 110,751.99 |
| FY 18 Q1 | (4,280.18) |
| FY 18 Q2 | (110,034.33) |
| FY 18 Q3 | 120,016.53 |
| FY 18 Q4 | 123,048.02 |
| FY 19 Q1 | (43,441.55) |
| FY 19 Q2 | (195,202.16) |
| FY 19 Q3 | 3,610.05 |
| FY 19 Q4 | (20,773.07) |

| FUND | REPORTING_LEVEL | DESCR | FUND_LEVEL | TYPE | 2016 | 2017 | 2018 | 2019 | TOTAL 18 | TOTAL 19 |
|-------|-----------------|----------------|--|-----------------------|---------------|------------|------------|-------------|-------------|-------------|
| | | | | | BUD_AMT_01 | BUD_AMT_02 | BUD_AMT_03 | BUD_AMT_04 | | |
| 02432 | Oil & Gas ERA | | | beginning balance | 3,431,010 | 1,703,772 | (226,067) | (1,935,340) | | |
| 02432 | Oil & Gas ERA | 51020-10-01-01 | COMMISSIONER OF HIGHER EDUCATION RESEARCH AND DEVELOPMENT AGENCIES | non-approp/off-base | disbursements | - | - | | | |
| 02432 | Oil & Gas ERA | 51020-10-02-01 | COMMISSIONER OF HIGHER EDUCATION BUREAU TRANSFERS | non-approp/off-base | disbursements | 300,000 | - | | | |
| 02432 | Oil & Gas ERA | 51020-10-02-03 | COMMISSIONER OF HIGHER EDUCATION BUREAU OF MINES NATURAL RESOURCES | base | disbursements | - | - | | | |
| 02432 | Oil & Gas ERA | 51020-10-02-03 | COMMISSIONER OF HIGHER EDUCATION BUREAU OF MINES NATURAL RESOURCES 1003 NP | new proposals | disbursements | | 300,000 | 300,000 | 300,000 | 300,000 |
| 02432 | Oil & Gas ERA | 57060-21-01-01 | NATURAL RESOURCES AND CONSERVATION DIRECTOR'S OFFICE | base | disbursements | 6,860 | - | 1,534 | 1,534 | |
| 02432 | Oil & Gas ERA | 57060-21-01-01 | NATURAL RESOURCES AND CONSERVATION DIRECTOR'S OFFICE | non-approp/off-base | disbursements | 759 | - | | | |
| 02432 | Oil & Gas ERA | 57060-21-01-01 | NATURAL RESOURCES AND CONSERVATION DIRECTOR'S OFFICE 2 SWPL | statewide present law | disbursements | | (155) | (143) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-01 | NATURAL RESOURCES AND CONSERVATION DIRECTOR'S OFFICE 1 SWPL | statewide present law | disbursements | | (1,121) | (1,033) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-01 | NATURAL RESOURCES AND CONSERVATION DIRECTOR'S OFFICE 3 SWPL | statewide present law | disbursements | | (8) | (5) | 250 | 353 |
| 02432 | Oil & Gas ERA | 57060-21-01-02 | NATURAL RESOURCES AND CONSERVATION LEGAL SERVICES OFFICE | base | disbursements | 1,035 | - | - | | |
| 02432 | Oil & Gas ERA | 57060-21-01-02 | NATURAL RESOURCES AND CONSERVATION LEGAL SERVICES OFFICE 1 SWPL | statewide present law | disbursements | | (541) | (302) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-02 | NATURAL RESOURCES AND CONSERVATION LEGAL SERVICES OFFICE 2 SWPL | statewide present law | disbursements | | (533) | (517) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-02 | NATURAL RESOURCES AND CONSERVATION LEGAL SERVICES OFFICE 3 SWPL | statewide present law | disbursements | | 1 | 6 | (1,073) | (813) |
| 02432 | Oil & Gas ERA | 57060-21-01-03 | NATURAL RESOURCES AND CONSERVATION FINANCIAL SERVICES OFFICE | base | disbursements | 99,343 | 282,359 | 105,592 | 105,592 | |
| 02432 | Oil & Gas ERA | 57060-21-01-03 | NATURAL RESOURCES AND CONSERVATION FINANCIAL SERVICES OFFICE 3 SWPL | statewide present law | disbursements | | (6) | (1) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-03 | NATURAL RESOURCES AND CONSERVATION FINANCIAL SERVICES OFFICE 2 SWPL | statewide present law | disbursements | | (255) | (230) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-03 | NATURAL RESOURCES AND CONSERVATION FINANCIAL SERVICES OFFICE 1 SWPL | statewide present law | disbursements | | (229) | (124) | 105,102 | 105,237 |
| 02432 | Oil & Gas ERA | 57060-21-01-04 | NATURAL RESOURCES AND CONSERVATION INFORMATION TECHNOLOGY OFFICE | base | disbursements | 32,434 | - | 61,321 | 61,321 | |
| 02432 | Oil & Gas ERA | 57060-21-01-04 | NATURAL RESOURCES AND CONSERVATION INFORMATION TECHNOLOGY OFFICE 1 SWPL | statewide present law | disbursements | | (3,019) | (2,642) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-04 | NATURAL RESOURCES AND CONSERVATION INFORMATION TECHNOLOGY OFFICE 2 SWPL | statewide present law | disbursements | | (12,948) | (12,245) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-04 | NATURAL RESOURCES AND CONSERVATION INFORMATION TECHNOLOGY OFFICE 3 SWPL | statewide present law | disbursements | | (10) | (1) | 45,344 | 46,433 |
| 02432 | Oil & Gas ERA | 57060-21-01-05 | NATURAL RESOURCES AND CONSERVATION HUMAN RESOURCES OFFICE | base | disbursements | - | - | - | | |
| 02432 | Oil & Gas ERA | 57060-21-01-05 | NATURAL RESOURCES AND CONSERVATION HUMAN RESOURCES OFFICE 1 SWPL | statewide present law | disbursements | | (205) | (197) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-05 | NATURAL RESOURCES AND CONSERVATION HUMAN RESOURCES OFFICE 2 SWPL | statewide present law | disbursements | | (163) | (157) | | |
| 02432 | Oil & Gas ERA | 57060-21-01-05 | NATURAL RESOURCES AND CONSERVATION HUMAN RESOURCES OFFICE 3 SWPL | statewide present law | disbursements | | (4) | (1) | (372) | (355) |
| 02432 | Oil & Gas ERA | 57060-21-01-06 | NATURAL RESOURCES AND CONSERVATION SAGE GROUSE OIT | base | disbursements | 50,086 | - | 113,912 | 113,912 | |
| 02432 | Oil & Gas ERA | 57060-21-01-06 | NATURAL RESOURCES AND CONSERVATION SAGE GROUSE OIT 1 SWPL | statewide present law | disbursements | | (112,370) | (112,370) | 1,542 | 1,542 |
| 02432 | Oil & Gas ERA | 57060-22-01-01 | NATURAL RESOURCES AND CONSERVATION OIL & GAS REGULATION | base | disbursements | 1,437,091 | 2,074,213 | 1,764,007 | 1,764,007 | |
| 02432 | Oil & Gas ERA | 57060-22-01-01 | NATURAL RESOURCES AND CONSERVATION OIL & GAS REGULATION | non-approp/off-base | disbursements | 4,150 | 201,243 | | | |
| 02432 | Oil & Gas ERA | 57060-22-01-01 | NATURAL RESOURCES AND CONSERVATION OIL & GAS REGULATION 2 SWPL | statewide present law | disbursements | | 6,671 | 6,217 | | |
| 02432 | Oil & Gas ERA | 57060-22-01-01 | NATURAL RESOURCES AND CONSERVATION OIL & GAS REGULATION 3 SWPL | statewide present law | disbursements | | (4,337) | (2,969) | | |
| 02432 | Oil & Gas ERA | 57060-22-01-01 | NATURAL RESOURCES AND CONSERVATION OIL & GAS REGULATION 1 SWPL | statewide present law | disbursements | | (25,223) | (22,351) | 1,741,118 | 1,744,904 |
| 02432 | Oil & Gas ERA | 57060-22-01-02 | NATURAL RESOURCES AND CONSERVATION OIL & GAS UIC PROGRAM | base | disbursements | 241,095 | - | 310,206 | 310,206 | |
| 02432 | Oil & Gas ERA | 57060-22-01-02 | NATURAL RESOURCES AND CONSERVATION OIL & GAS UIC PROGRAM 1 SWPL | statewide present law | disbursements | | (3,144) | (2,493) | | |
| 02432 | Oil & Gas ERA | 57060-22-01-02 | NATURAL RESOURCES AND CONSERVATION OIL & GAS UIC PROGRAM 2 SWPL | statewide present law | disbursements | | 2,342 | 2,245 | | |
| 02432 | Oil & Gas ERA | 57060-22-01-02 | NATURAL RESOURCES AND CONSERVATION OIL & GAS UIC PROGRAM 3 SWPL | statewide present law | disbursements | | (929) | (638) | 308,475 | 309,320 |
| 02432 | Oil & Gas ERA | 57060-23-01-01 | NATURAL RESOURCES AND CONSERVATION CONS. DISTRICTS BUREAU | base | disbursements | 150,000 | 531,824 | 150,000 | 150,000 | |
| 02432 | Oil & Gas ERA | 57060-23-01-03 | NATURAL RESOURCES AND CONSERVATION SAGE GROUSE | base | disbursements | 540,658 | - | 381,824 | 381,824 | |
| 02432 | Oil & Gas ERA | 57060-23-01-03 | NATURAL RESOURCES AND CONSERVATION SAGE GROUSE 1 SWPL | statewide present law | disbursements | | (73,551) | (73,478) | | |
| 02432 | Oil & Gas ERA | 57060-23-01-03 | NATURAL RESOURCES AND CONSERVATION SAGE GROUSE 2 SWPL | statewide present law | disbursements | | 1,214 | 1,208 | 459,487 | 459,554 |
| | | | | | | | | | 2,959,873 | 2,966,175 |
| 02432 | Oil & Gas ERA | 502300 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | - | 240,000 | 240,000 | 240,000 | | |
| 02432 | Oil & Gas ERA | 502302 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 239,400 | - | - | - | | |
| 02432 | Oil & Gas ERA | 503600 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | - | 20,000 | 20,000 | 20,000 | | |
| 02432 | Oil & Gas ERA | 503601 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 15,025 | - | - | - | | |
| 02432 | Oil & Gas ERA | 510410 - 58010 | DEPARTMENT OF REVENUE | revenue | - | 869,800 | 960,600 | 1,065,500 | | |
| 02432 | Oil & Gas ERA | 510414 - 58010 | DEPARTMENT OF REVENUE | revenue | 610,268 | - | - | - | | |
| 02432 | Oil & Gas ERA | 510415 - 58010 | DEPARTMENT OF REVENUE | revenue | 202,026 | - | - | - | | |
| 02432 | Oil & Gas ERA | 520921 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 1,407 | - | - | - | | |
| 02432 | Oil & Gas ERA | 530000 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | - | 10,000 | 10,000 | 10,000 | | |
| 02432 | Oil & Gas ERA | 530025 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 10,513 | - | - | - | | |
| 02432 | Oil & Gas ERA | 531626 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | (19) | - | - | - | | |
| 02432 | Oil & Gas ERA | 531644 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 48 | - | - | - | | |
| 02432 | Oil & Gas ERA | 583200 - 57060 | DEPT OF NATURAL RESOURCES & CONSERVATION | revenue | 37,500 | 20,000 | 20,000 | 20,000 | 1,250,600 | 1,355,500 |
| | | | | | | | | | (1,709,273) | (1,610,675) |

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/25/2016 Through 12/13/2016

Approved

| | | | |
|---|--|---------------------------------|---|
| Earthstone Operating, LLC The Woodlands TX | 812 M1 | Approved Amount: Purpose: | 11/14/2016 \$50,000.00 Multiple Well Bond |
| Surety Bond | \$50,000.00 U.S. Specialty Insurance Co. | | ACT |
| Earthstone Operating, LLC The Woodlands TX | 812 U1 | Approved Amount: Purpose: | 11/14/2016 \$20,000.00 UIC Limited Bond |
| Surety Bond | \$20,000.00 U.S. Specialty Insurance Co. | | ACT |
| Legacy Reserves Operating LP Midland TX | 713 V1 | Approved Amount: Purpose: | 11/7/2016 \$50,000.00 UIC Blanket Bond |
| Surety Bond | \$50,000.00 Argonaut Insurance Company | | ACT |
| PARMT LLC Scottsdale AZ | 813 G1 | Approved Amount: Purpose: | 11/18/2016 \$10,000.00 Single Well Bond |
| Certificate of Deposit | \$10,000.00 FIRST INTERSTATE BANK | | ACT |
| White Rock Oil & Gas, LLC Dallas TX | 779 U1 | Approved Amount: Purpose: | 10/31/2016 \$50,000.00 UIC Limited Bond |
| Surety Bond | \$50,000.00 Aspen American Insurance Company | | ACT |

Canceled

| | | | |
|--|--------|---------------------------------|--|
| Minuteman Exploration, LLC Tulsa OK | 756 M1 | Canceled Amount: Purpose: | 11/7/2016 \$50,000.00 Multiple Well Bond |
|--|--------|---------------------------------|--|

Released

| | | | |
|--|--------|---------------------------------|--|
| Earthstone Energy, Inc. Denver CO | 647 M1 | Released Amount: Purpose: | 11/14/2016 \$50,000.00 Multiple Well Bond |
| Earthstone Energy, Inc. Denver CO | 647 U1 | Released Amount: Purpose: | 11/14/2016 \$20,000.00 UIC Limited Bond |
| Legacy Reserves Operating LP Midland TX | 713 T3 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T5 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T1 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/25/2016 Through 12/13/2016

Released

| | | | |
|--|--------|---------------------------------|---|
| Legacy Reserves Operating LP Midland TX | 713 T2 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T7 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T4 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T8 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| Legacy Reserves Operating LP Midland TX | 713 T6 | Released Amount: Purpose: | 11/7/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T1 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T2 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T4 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T5 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T6 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T7 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |
| White Rock Oil & Gas, LLC Dallas TX | 779 T3 | Released Amount: Purpose: | 10/31/2016 \$10,000.00 UIC Single Well Bond |

Rider Approved

| | | | |
|--------------------------------------|-------------|---------------------------------------|---|
| Statoil Pipelines LLC Stamford CT | 811 T1 | Rider Approved Amount: Purpose: | 10/28/2016 \$10,000.00 UIC Single Well Bond |
| Surety Bond | \$10,000.00 | RLI INSURANCE COMPANY | ACT |

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/25/2016 Through 12/13/2016

Rider Approved

| | | | | |
|---------------------------------------|--------------|-----------------------|---------------------------------------|--|
| TAQA North USA, Inc. Centennial CO | | 814 M1 | Rider Approved Amount: Purpose: | 12/6/2016 \$50,000.00 Multiple Well Bond |
| Surety Bond | \$50,000.00 | RLI INSURANCE COMPANY | ACT | |
| TAQA North USA, Inc. Centennial CO | | 814 U1 | Rider Approved Amount: Purpose: | 12/6/2016 \$369,750.00 UIC Limited Bond |
| Surety Bond | \$369,750.00 | RLI INSURANCE COMPANY | ACT | |

Incident Report

EXHIBIT 7

| 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 |
| Montana Oil Field Acquisition I, LLC | BOG | 2/9/2016 | Spill or Release | 25 Barrels | 100 Barrels | Tank or Tank Battery | No | 48.13352 | -112.19001 | Pondera | 28N-5W-36 SESW |
| 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 | 2/20/2016 | 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 |
| Yellowstone Petroleums, Inc. | BOG | 3/19/2016 | Spill or Release | 20 Barrels | 100 Barrels | Tank or Tank Battery | No | 48.75364 | -112.02185 | Toole | 35N-3W-32 NWN |
| Montana Oil Field Acquisition I, LLC | BOG | 3/28/2016 | Fire | 50 Barrels | | Tank or Tank Battery | Yes | 48.12988 | -112.18730 | Teton | 27N-5W-1 NWNE |
| Denbury Onshore, LLC | BOG | 4/8/2016 | Spill or Release | | 100 Barrels | Flow Line - Injection | No | 46.44315 | -104.28404 | Fallon | 8N-59E-13 SE |
| Slawson Exploration Company Inc | BOG | 4/11/2016 | Spill or Release | 70 Barrels | | Tank or Tank Battery | No | 47.83445 | -104.87855 | Richland | 24N-53E-14 SWS |
| Denbury Onshore, LLC | BOG | 4/12/2016 | Spill or Release | 5 Barrels | 3 Barrels | Flow Line - Production | No | 46.55239 | -104.39942 | Fallon | 9N-58E-10 NENE |
| True Oil LLC | BOG | 4/13/2016 | Fire | | 1 Barrels | Tank or Tank Battery | Yes | 47.95245 | -104.22585 | Richland | 25N-58E-4 NENE |
| Vanguard Operating, LLC | BOG | 4/15/2016 | Fire | | | Treater | Yes | 47.69387 | -104.14448 | Richland | 22N-59E-4 NESE |
| Petro-Hunt, LLC | BOG | 4/15/2016 | Spill or Release | | 48 Barrels | Tank or Tank Battery | Yes | 47.71549 | -104.48523 | Richland | 23N-56E-36 NWN |
| Poor Boy Oil, LLP | BOG | 4/20/2016 | Spill or Release | 1 Barrels | 30 Barrels | Tank or Tank Battery | No | 47.81771 | -104.18282 | Richland | 24N-59E-29 NWN |
| Foundation Energy Management, LLC | BOG | 4/23/2016 | Spill or Release | | 100 Barrels | Well Head | Yes | 48.29975 | -104.51691 | Roosevelt | 29N-55E-1 NWN |
| Continental Resources Inc | BOG | 5/2/2016 | Fire | | | Flare Pit | Yes | 47.89731 | -104.41079 | Richland | 25N-57E-19 SES |
| Montana Oil Field Acquisition I, LLC | BOG | 5/25/2016 | Spill or Release | 25 Barrels | 100 Barrels | Tank or Tank Battery | No | 48.81327 | -111.96281 | Toole | 35N-3W-2 SESW |
| Somont Oil Company, Inc. | BOG | 5/26/2016 | Spill or Release | 10 Barrels | | Well Head | Yes | 48.73232 | -111.81937 | Toole | 34N-2W-2 NESE |
| Legacy Reserves Operating LP | BOG | 6/2/2016 | Fire | | | Treater | No | 48.63085 | -104.08340 | Sheridan | 33N-58E-11 SENE |
| Denbury Onshore, LLC | BOG | 6/9/2016 | Spill or Release | 21 Gallons | 10 Barrels | Flow Line - Production | No | 46.62501 | -104.45237 | Fallon | 10N-58E-17 NEN |
| Denbury Onshore, LLC | BOG | 6/9/2016 | Fire | | | Other | No | 46.40367 | -104.22031 | Fallon | 8N-60E-33 SENE |

12/13/2016

| Company | Responsibility | Date | Incident | Oil Released | Water Released | Source | Contained | Latitude | Longitude | County | T-R-S |
|---|----------------|------------|------------------|--------------|----------------|------------------------|-----------|----------|------------|--------------|-----------------|
| Continental Resources Inc | BOG | 6/11/2016 | Fire | 11 Gallons | | Flare Pit | Yes | 47.73179 | -104.59006 | Richland | 23N-56E-30 NWN |
| Slawson Exploration Company Inc | BOG | 6/13/2016 | Spill or Release | 25 Barrels | | Well Head | No | 47.78180 | -104.06409 | Richland | 23N-60E-6 NWSE |
| Denbury Onshore, LLC | BOG | 6/19/2016 | Spill or Release | | 100 Barrels | Other | No | 46.42465 | -104.31825 | Fallon | 8N-59E-26 NWN |
| Denbury Onshore, LLC | BOG | 6/25/2016 | Spill or Release | | 35 Barrels | Well Head | No | 45.13645 | -105.06646 | Powder River | 8S-54E-14 SWSE |
| Black Gold Energy Resource Development | BOG | 6/26/2016 | Spill or Release | | 1200 Barrels | Tank or Tank Battery | No | 47.74891 | -104.65243 | Richland | 23N-55E-15 SWS |
| Anadarko Minerals, Inc. | BOG | 6/28/2016 | Spill or Release | | 200 Barrels | Tank or Tank Battery | Yes | 48.37679 | -105.97464 | Valley | 30N-44E-11 NWN |
| Denbury Onshore, LLC | FED | 7/6/2016 | Fire | 8 Gallons | | Flare Pit | No | 46.09157 | -104.08413 | Fallon | 4N-61E-24 SESE |
| Continental Resources Inc | BOG | 7/11/2016 | Fire | 1 Barrels | | Flare Pit | Yes | 47.74592 | -104.55211 | Richland | 23N-56E-20 NENE |
| XTO Energy Inc. | BOG | 7/29/2016 | Spill or Release | 40 Barrels | 20 Barrels | Treater | Yes | 47.67806 | -104.04793 | Richland | 22N-60E-8 SESW |
| MCR, LLC | BOG | 8/9/2016 | Fire | 1 Barrels | | Tank or Tank Battery | Yes | 48.96136 | -111.17490 | Liberty | 37N-4E-14 NESW |
| Continental Resources Inc | BOG | 8/9/2016 | Fire | | | Flare Pit | No | 47.74782 | -104.57636 | Richland | 23N-56E-18 SESE |
| Continental Resources Inc | BOG | 8/18/2016 | Fire | 21 Gallons | | Treater | No | 47.74592 | -104.55192 | Richland | 23N-56E-20 NENE |
| Denbury Onshore, LLC | BOG | 8/19/2016 | Spill or Release | | 2 Barrels | Flow Line - Production | No | 46.32548 | -104.13504 | Fallon | 7N-61E-30 SWSW |
| True Oil LLC | BOG | 8/23/2016 | Fire | 10 Barrels | | Tank or Tank Battery | No | 47.95245 | -104.22585 | Richland | 25N-58E-4 NENE |
| XTO Energy Inc. | BOG | 9/1/2016 | Fire | | | Flare Pit | No | 47.71672 | -104.42247 | Richland | 23N-57E-32 NENE |
| Denbury Onshore, LLC | BOG | 9/2/2016 | Spill or Release | 40 Gallons | 1140 Barrels | Flow Line - Injection | No | 45.10194 | -105.12388 | Powder River | 8S-54E-32 SWSE |
| Unknown | OTR | 9/13/2016 | Orphan Well R | | | | No | 48.39474 | -112.05487 | Toole | 31N-3W-31 SWS |
| SDOCO, LLC | BOG | 9/13/2016 | Spill or Release | 5 Barrels | 50 Barrels | Other | No | 46.67977 | -107.67427 | Rosebud | 11N-32E-27 SENE |
| Anadarko Minerals, Inc. | BOG | 9/16/2016 | Spill or Release | 5 Barrels | 70 Barrels | Flow Line - Injection | Yes | 48.38003 | -105.98634 | Valley | 30N-44E-3 SWSE |
| Anadarko Minerals, Inc. | BOG | 9/16/2016 | Spill or Release | 5 Barrels | 70 Barrels | Flow Line - Injection | Yes | 48.38003 | -105.98634 | Valley | 30N-44E-3 SWSE |
| SM Energy Company | BOG | 9/21/2016 | Spill or Release | | 255 Barrels | Tank or Tank Battery | Yes | 47.68353 | -104.33199 | Richland | 22N-58E-7 SWNW |
| Slawson Exploration Company Inc | BOG | 9/23/2016 | Fire | | | Treater | No | 47.83548 | -104.85761 | Richland | 24N-53E-13 SWS |
| Continental Resources Inc | BOG | 9/28/2016 | Fire | 1 Barrels | | Treater | Yes | 47.77620 | -104.81815 | Richland | 23N-54E-5 S2S2 |
| Bayswater Exploration & Production, LLC | BOG | 9/28/2016 | Spill or Release | | 300 Barrels | Flow Line - Injection | No | 46.71537 | -107.71129 | Rosebud | 11N-32E-9 SESE |
| Rim Operating, Inc. | BOG | 9/29/2016 | Spill or Release | 5 Barrels | | Flow Line - Production | Yes | 48.87767 | -104.65426 | Sheridan | 36N-54E-16 SWN |
| Continental Resources Inc | BOG | 10/4/2016 | Fire | | 200 Barrels | Tank or Tank Battery | No | 47.80411 | -104.65643 | Richland | 24N-55E-34 NWN |
| Continental Resources Inc | BOG | 10/6/2016 | Fire | 2 Barrels | | Treater | No | 47.77620 | -104.81815 | Richland | 23N-54E-5 S2S2 |
| Somont Oil Company, Inc. | BOG | 10/6/2016 | Spill or Release | 200 Barrels | | Treater | Yes | 48.83512 | -111.84455 | Toole | 36N-2W-34 SENE |
| Vanguard Operating, LLC | BOG | 10/8/2016 | Fire | 2 Barrels | | Treater | Yes | 47.61470 | -102.24960 | Richland | 21N-58E-2 NWN |
| Continental Resources Inc | BOG | 10/24/2016 | Fire | 5 Barrels | | Treater | Yes | 47.74723 | -104.52814 | Richland | 23N-56E-15 SWS |
| Anadarko Minerals, Inc. | BOG | 10/28/2016 | Fire | | | Treater | No | 48.39505 | -106.10573 | Valley | 31N-43E-35 SWS |
| Continental Resources Inc | BOG | 11/3/2016 | Fire | 5 Gallons | | Flare Pit | Yes | 47.74738 | -104.59451 | Richland | 23N-55E-13 SESE |
| Petro-Hunt, LLC | BOG | 11/4/2016 | Spill or Release | 75 Barrels | 75 Barrels | Other | No | 48.52870 | -104.25683 | Sheridan | 32N-57E-13 SWN |
| Continental Resources Inc | BOG | 11/13/2016 | Fire | 10 Barrels | | Flare Pit | No | 47.79098 | -104.75324 | Richland | 24N-54E-35 SWS |
| Darrah Oil Company, LLC | BOG | 11/18/2016 | Spill or Release | 10 Gallons | 20 Barrels | Flow Line - Production | No | 48.34766 | -105.51991 | Roosevelt | 30N-48E-18 SESE |
| Landtech Enterprises, LLC | BOG | 12/3/2016 | Spill or Release | | 14 Barrels | Trucking/Transportati | Yes | 48.14739 | -104.19787 | Roosevelt | 28N-58E-26 NES |
| FX Drilling Company, Inc. | FED | 12/7/2016 | Spill or Release | | 99 Barrels | Well Head | Yes | 48.53151 | -112.31031 | Glacier | 32N-5W-18 NWS |
| Continental Resources Inc | BOG | 12/10/2016 | Spill or Release | | 500 Barrels | Flow Line - Production | No | 48.96272 | -104.30267 | Sheridan | 37N-56E-14 SEN |

Docket Summary

12/15/2016 Hearing

| | | | | | |
|---------|--|--|-----------|--|--------------------------|
| 57-2016 | Kraken Operating, LLC | Amend Order 142-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 27N-57E-25: all, 26: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 8/13/2017. Default Docket requested. | | Order 142-2015: TSU, authorization to drill expires 8/13/2016. | <input type="checkbox"/> |
| 58-2016 | Azure Sky | Approval to drill, Class II SWD Injection well, Dakota Formation, 27N-59E-11: 1120' FSL/ 250' FWL (SW SE). Aquifer exemption requested. Default Docket requested. | Continued | Staff continued on 11/28/16 for failure to run newspaper notice and failure to notice landowner. | <input type="checkbox"/> |
| 46-2016 | Legacy Reserves Operating LP | Convert the Guelff 41-35H, , 17N-53E-35: NE NE (API # 021-21126) to Class II Injection well, Dakota Formation. Aquifer exemption requested. Default Docket requested. | | | <input type="checkbox"/> |
| 59-2016 | Mountain Pacific General Inc. | Show cause: why its \$50,000 plugging and reclamation bond should not be increased to \$250,000 as directed in Board Order 1-A-2010. | | | <input type="checkbox"/> |
| 60-2016 | Seymour, James G. | Show Cause: failure to file production reports and pay administrative fees. | | No fine received. Reports received: 11/30/16 | <input type="checkbox"/> |
| 61-2016 | Seymour, James & Lorraine | Show Cause: failure to file production reports and pay administrative fees. | | No fine received. Reports received: 11/30/16 | <input type="checkbox"/> |
| 62-2016 | Stratex Oil and Gas, Inc. | Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Tininenko 4-19 well (API # 25-085-21275) located in the W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, T29N-R59E, Roosevelt County, Montana as required by Board Order 43-2016, in accordance with § 82-11-123(5), MCA. | | | <input type="checkbox"/> |
| 63-2016 | McMinn Operating Company | Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Ryan Ranch LLC 1 well (API # 25-073-21836) located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, T30N-R6W, Pondera County, Montana as required by Board Order 44-2016, in accordance with § 82-11-123(5), MCA. | | | <input type="checkbox"/> |
| 97-2015 | Augusta Exploration, LLC | Show Cause: why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline of its Krone-Augusta 31-32 well, API # 25-049-21111, located in Section 32, T18N-R5W, Lewis and Clark County, Montana. | | | <input type="checkbox"/> |
| 48-2016 | Shadwell Resources Group, LLC | Show Cause: why it should not have to complete or plug and abandon the Ft. Gilbert 3 SWD well (API # 25-083-21074) located in the SW NE of Section 32, T24N-R59E, Richland County, Montana prior to the December 15, 2016. | | | <input type="checkbox"/> |
| 49-2016 | Storm Cat Energy (USA) Operating Corporation | Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016 public hearing. | | | <input type="checkbox"/> |

PLUGGING PROJECTS & FIELD INSPECTOR SUMMARY

EXHIBIT 9

December 6, 2016

Orphaned Well Flack #1:

Contract is in place with an ending date of December 31, 2016. Weather has delayed the start of the project as a large amount of precipitation has been received in the area. Exploratory work was completed November 4, 2016 and work to plug and reclaim the well will commence as soon conditions allow. The contract will be extended to June 30, 2017.

Orphaned Wells Kendrick #3, State E-2, Sprinkle #1:

The wells in this project were combined into a 3 well package. A contract in place with an ending date of April 1, 2017. Work has begun on this contract with the Kendrick #3 in Big Horn County being plugged December 1, 2016. Reclamation will be completed this spring. The location is very swampy and needs to dry out. The next well in line to be plugged will be the State E-2 in Musselshell County followed by the Sprinkle #1 in Blain County.

Orphaned Well Beery 22-24:

Plugging and reclamation of this well is the planning stages. The procedure and cost associated to plug the well are complete. Costs associated with the reclamation are not complete. Ownership of surface and downhole equipment remains to be determined. McCone County claims there are no current tax liens on the personal property.

| GRANT BALANCES - 11/22/2016 | | Amount | Expended | Balance | Expiration Date | Status |
|-----------------------------|-------------|---------|----------|---------|-----------------|-----------|
| 2015 Kopp #1 | RIT-13-8753 | 106,408 | 106,408 | 0 | 9/30/2016 | Completed |
| Big Wall Tank Battery | RIT 12-8723 | 38,239 | 38,239 | 0 | 9/30/2016 | Completed |
| Total | | 144,647 | 144,647 | 0 | | |

| 2016 PLUGGING & RECLAMATION PROJECTS | | CONTRACT & BALANCES - 11/22/2016 | Amount | Expended | Balance | Reverted Balance | Fund | Expiration Date | Status | Ranking | Comments |
|--------------------------------------|----------------------------|--|---------|----------|---------|------------------|---------------------------------|-----------------|------------|---------|---|
| Kopp #1 | (Berco Resources) | Liquid Gold Well Service Inc., OG-LG-155 | 18,451 | 18,451 | 0 | 0 | RIT-12-8723 | 12/31/2015 | Completed | 12 | Install Well Control Equipment Completed 12/23/15 |
| | | Liquid Gold Well Service Inc., OG-LG-156 | 24,864 | 17,090 | 7,774 | 7,774 | Damage Mitigation | 6/30/2016 | Completed | 12 | Install No-Weld Control Equipment Completed 2/10/16 |
| | | Liquid Gold Well Service Inc., OG-LG-158 | 263,930 | 249,938 | 13,992 | 13,992 | RIT 13-8753 & Damage Mitigation | 11/1/2016 | Completed | 12 | Plugging & reclamation completed 8/30/16 |
| | | Total | 307,244 | 285,479 | 21,766 | 21,766 | | | | | |
| Kelly #1 | (The Ranch) | Liquid Gold Well Service Inc., OG-LG-157 | 19,360 | 12,744 | 6,616 | 6,616 | Damage Mitigation | 12/31/2016 | Completed | 11 | Project completed 6/15/16 |
| Flack #1 | (Williston Oil & Gas) | Liquid Gold Well Service Inc., OG-LG-159 | 45,493 | 0 | 45,493 | | Damage Mitigation | 12/31/2016 | Contracted | 12 | Plug and reclaim (Work in progress, will need to extend contract) |
| State E-2 | (UIC) (Kelly Oil & Gas) | Liquid Gold Well Service Inc., OG-LG-160 | 77,575 | 0 | 77,575 | | Damage Mitigation | 4/1/2016 | Contracted | UIC | Plug and reclaim |
| Sprinkle #1 | (Montana Canadian) | Liquid Gold Well Service Inc., OG-LG-160 | 18,615 | 0 | 18,615 | | Damage Mitigation | 4/1/2016 | Contracted | 11 | Plug and reclaim |
| Kendrick #3 | (Rocky Mountain Operating) | Liquid Gold Well Service Inc., OG-LG-160 | 81,314 | 0 | 81,314 | | Damage Mitigation | 4/1/2016 | Contracted | 10 | Plug and reclaim (Work to this well currently in progress) |
| | | TOTAL | 177,504 | 0 | 177,504 | | | | | | |
| Big Wall Tank Battery | | Brewer Inc., OG-CB-156 | 39,239 | 18,451 | 20,788 | 0 | RIT 12-8723 | 9/30/2016 | Completed | | Completed 9/19/16; \$20,788.11 was purposed to the Kopp#1 well |
| | | Total | 588,839 | 316,673 | 272,166 | 28,382 | | | | | |