



AN ACT REQUIRING PUBLIC DISCLOSURE OF FRACTURING FLUID INFORMATION IN OIL AND GAS OPERATIONS; ESTABLISHING INFORMATION TO BE DISCLOSED; ALLOWING AN OWNER, OPERATOR, OR SERVICE COMPANY TO REQUEST INFORMATION BE WITHHELD; DIRECTING THE ADMINISTRATOR OF THE BOARD OF OIL AND GAS CONSERVATION TO DETERMINE IF INFORMATION MAY BE WITHHELD; ESTABLISHING REQUIREMENTS TO REQUEST INFORMATION BE WITHHELD; ESTABLISHING A FEE; REQUIRING THE BOARD OF OIL AND GAS CONSERVATION TO AMEND ARM 36.22.608, 36.22.1015, AND 36.22.1016 RELATED TO DISCLOSURE OF FRACTURING FLUIDS; AND AMENDING SECTION 82-11-117, MCA.

WHEREAS, Board of Oil and Gas Conservation rules related to the disclosure of fracturing fluids are made redundant by passage of this bill; and

WHEREAS, ARM 36.22.608 contradicts the provisions of this bill because a description of the requirements for a proposed well stimulation do not conform to the requirements which would be reflected in law; and

WHEREAS, ARM 36.22.1015 contradicts the provisions of this bill because disclosure of well stimulation fluids do not conform to the requirements which would be reflected in law; and

WHEREAS, ARM 36.22.1016 contradicts the provisions of this bill because options for the protection of proprietary chemicals and trade secrets do not conform to the requirements which would be reflected in law.

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

**Section 1. Legislative findings -- purpose.** The purpose of [sections 1 through 3] is to provide a fair process for disclosure of fracturing fluids to facilitate transparency, while protecting valuable trade secrets and allowing well owners, operators, and service companies to protect their right to obtain an advantage over competitors.

**Section 2. Fracturing fluid disclosure -- requirements.** (1) The board of oil and gas conservation shall require the disclosure of fracturing fluids in accordance with [section 3] and this section.

(2) The fracturing fluid disclosure required by subsection (1) must include:

(a) except as provided in [section 3], the chemical compound name and the chemical abstracts service registry number of the ingredients, including any hazardous component listed on a material safety data sheet as defined in 50-78-102, the product name, and the type of additives used; and

(b) the proposed rate or concentration for each ingredient or additive, which may be expressed as percent by weight, percent by volume, parts per million, or parts per billion.

(3) Except as provided in [section 3(4)(b)], the administrator shall post the information submitted pursuant to subsection (2) to the board of oil and gas conservation's website or to a website established for education and disclosure of fracturing fluids hosted by a nonprofit organization dedicated to ground water protection with members consisting of state ground water regulatory agencies, the interstate oil and gas compact commission, or both or their successors.

(4) For the purposes of this part the following definitions apply:

(a) "Administrator" means the administrator of the division of oil and gas conservation.

(b) "Fracturing" means the introduction of fluid that may carry in suspension a propping agent under pressure into a formation containing oil or gas for the purpose of creating cracks in the formation to serve as channels for fluids to move to or from the well bore.

(c) "Systems approach" means the reporting of the identity of chemicals separately from the additive products they go into or the reporting of fracturing chemicals without attribution to the specific products in the fracturing fluid.

**Section 3. Confidentiality request for trade secrets.** (1) (a) If the owner or operator or service company providing fracturing services for a well believes that disclosing the complete composition of the fracturing fluid, including a specific ingredient's identity, concentrations, or both required in accordance with [section 2(2)], will, if disclosed, reveal information entitled to protection as trade secrets as defined in 30-14-402 that should be exempt from public disclosure, the owner, operator, or service company may request that the administrator withhold the information.

(b) When an owner, operator, or service company requests that information be withheld, the department

shall charge a fee of no more than \$25 per ingredient or concentration for the request.

(2) To meet the requirement of subsection (1), the owner, operator, or service company shall provide the administrator with information demonstrating all of the following:

(a) that the ingredient identity, concentrations, or both, as appropriate, have not appeared in a public source or been publicly disclosed:

(i) pursuant to a federal or state law or regulation;

(ii) in a professional trade publication; or

(iii) through any other media or publication available to the public or competing oil and gas owners, operators, or service companies;

(b) to what extent the identity of the ingredient, its concentrations, or both, as appropriate, are known within a company and how the information is housed in the company and what steps employees, officers, agents, and directors take to prevent disclosure of the information;

(c) whether any other federal or state entity has determined that the ingredient identity, concentrations, or both, as appropriate, are not entitled to protection from public disclosure. A copy of the regulatory entity's determination, along with any explanation as to why the administrator should not make a similar determination, must be provided. Any information concerning prior requests for confidentiality that an owner, operator, or service company determines to be relevant also must be provided to the administrator;

(d) how the identity of the ingredient, its concentrations, or both, as appropriate, are commercially valuable to the owner, operator, or service company. A description of why the use of the ingredient, its concentrations, or both, as appropriate, is not common knowledge in the industry, including any novel or unusual aspects about the ingredient, must be provided.

(e) the ease or difficulty with which the complete composition of the fracturing fluid, including the ingredient identity, concentrations, or both, as appropriate, could be determined because of public disclosure. The information must explain why a systems approach format would not adequately protect a proprietary interest.

(3) An owner, operator, or service company shall provide the administrator with a description of the investigation completed by the owner, operator, or service company to meet the requirements of subsection (2).

(4) (a) Within 5 days of receiving the information provided in accordance with subsection (2), the administrator shall determine whether an owner, operator, or service company must disclose the ingredient identity, concentrations, or both, as appropriate.

(b) If the administrator determines disclosure of the ingredient identity, concentrations, or both, as appropriate, is not required, the administrator shall:

(i) post the information required in accordance with [section 2] to the board of oil and gas conservation's website or to a website hosted by a nonprofit organization dedicated to ground water protection with members consisting of state ground water regulatory agencies, the interstate oil and gas compact commission, or both or their successors and redact the specific information about the ingredient identity, concentrations, or both, as appropriate, that the administrator has determined may be withheld from public disclosure in accordance with this section;

(ii) make available to the public the chemical family name in lieu of a specific chemical compound name and number for any ingredient, concentration, or both, as appropriate, that is being withheld; and

(iii) maintain the unredacted version of the information in the board of oil and gas conservation's confidential files.

(5) If the administrator makes a determination in accordance with subsection (4)(b) that information must be withheld from public disclosure, the owner, operator, or service company shall every 3 years update the information required in accordance with subsection (2) to confirm that the ingredient identity, concentrations, or both, as appropriate, have not been disclosed to the public in another forum.

(6) If an owner, operator, or service company disagrees with a determination by the administrator in accordance with subsections (1) through (5) that certain material will not be maintained as confidential, the owner, operator, or service company may file a declaratory judgment action in a court of competent jurisdiction to establish the existence of a trade secret if the owner, operator, or service company wishes the information to enjoy confidential status. The board must be served in the action and may intervene as a party. Information submitted to the board or administrator by an owner, operator, or service company and contested in accordance with this subsection may only be publicly disclosed after a determination is made by a court of competent jurisdiction. Information submitted in accordance with [section 2] must be treated in accordance with [sections 1 and 2] and this section.

**Section 4. Board to amend rules.** The board of oil and gas conservation shall amend ARM 36.22.608, 36.22.1015, and 36.22.1016 as needed to comply with the requirements of [sections 1 through 3].

**Section 5.** Section 82-11-117, MCA, is amended to read:

**"82-11-117. Confidentiality of records.** (1) ~~Any~~ Except as provided in subsection (4), any information that is furnished to the board or the board's staff or that is obtained by either of them is a matter of public record and open to public use. ~~However, any~~ Except as provided in subsection (4), information unique to the owner or operator that would, if disclosed, reveal methods or processes entitled to protection as trade secrets must be maintained as confidential if so determined by the board.

(2) If an owner, ~~or operator,~~ or service company disagrees with a determination by the board in accordance with this section or by the administrator in accordance with [sections 1 through 3] that certain material will not be maintained as confidential, the owner, ~~or operator,~~ or service company may file a declaratory judgment action in a court of competent jurisdiction to establish the existence of a trade secret if the owner, ~~or operator,~~ or service company wishes the information to enjoy confidential status. The ~~department board~~ board must be served in the action and may intervene as a party. Information submitted to the board or administrator by an owner, operator, or service company and contested in accordance with this subsection may only be publicly disclosed after a determination is made by a court of competent jurisdiction.

(3) Any information not intended to be public when submitted to the board or the board's staff must be submitted in writing and clearly marked as confidential.

(4) Information submitted in accordance with [section 2] must be treated in accordance with [sections 1 through 3].

~~(4)(5)~~ Data describing physical and chemical characteristics of a liquid, gaseous, solid, or other substance injected or discharged into state waters under this chapter or [sections 1 through 3] may not be considered confidential.

~~(5)(6)~~ The board may use any information in compiling or publishing analyses or summaries relating to water pollution if the analyses or summaries do not identify the owner or operator or reveal any information that is otherwise made confidential by this section."

**Section 6. Codification instruction.** [Sections 1 through 3] are intended to be codified as an integral part of Title 82, chapter 10, part 1, and the provisions of Title 82, chapter 10, part 1, apply to [sections 1 through 3].

- END -

I hereby certify that the within bill,  
SB 0299, originated in the Senate.

\_\_\_\_\_

President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

\_\_\_\_\_

Secretary of the Senate

\_\_\_\_\_

Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

SENATE BILL NO. 299

INTRODUCED BY T. RICHMOND, P. CONNELL

AN ACT REQUIRING PUBLIC DISCLOSURE OF FRACTURING FLUID INFORMATION IN OIL AND GAS OPERATIONS; ESTABLISHING INFORMATION TO BE DISCLOSED; ALLOWING AN OWNER, OPERATOR, OR SERVICE COMPANY TO REQUEST INFORMATION BE WITHHELD; DIRECTING THE ADMINISTRATOR OF THE BOARD OF OIL AND GAS CONSERVATION TO DETERMINE IF INFORMATION MAY BE WITHHELD; ESTABLISHING REQUIREMENTS TO REQUEST INFORMATION BE WITHHELD; ESTABLISHING A FEE; REQUIRING THE BOARD OF OIL AND GAS CONSERVATION TO AMEND ARM 36.22.608, 36.22.1015, AND 36.22.1016 RELATED TO DISCLOSURE OF FRACTURING FLUIDS; AND AMENDING SECTION 82-11-117, MCA.

MONTANA BOARD OF OIL AND GAS CONSERVATION  
FINANCIAL STATEMENT

As of 6/8/2017

Fiscal Year 2017: Percent of Year Elapsed - 94%

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,312,453	971,475	340,978	74.0
UIC	Personal Services	211,630	202,188	9,442	95.5
	<b>Total Expended</b>	<b>1,524,083</b>	<b>1,173,663</b>	<b>350,420</b>	<b>77.0</b>
Regulatory	Equipment & Assets	39,477	35,376	4,101	89.6
UIC	Equipment & Assets	17,073	7,765	9,308	45.5
	<b>Total Expended</b>	<b>56,550</b>	<b>43,141</b>	<b>13,409</b>	<b>76.3</b>
Regulatory	Operating Expenses:				
	Contracted Services	175,279	93,578	81,701	53.4
	Supplies & Materials	48,500	32,954	15,546	67.9
	Communication	49,835	38,015	11,820	76.3
	Travel	38,000	18,042	19,958	47.5
	Rent	33,000	20,711	12,289	63.2
	Utilities	20,615	14,612	5,973	71.0
	Repair/Maintenance	21,234	25,118	(3,884)	118.3
	Other Expenses	25,614	14,829	10,785	57.9
	<b>Total Operating Expenses</b>	<b>412,077</b>	<b>258,049</b>	<b>15,028</b>	<b>62.6</b>
UIC	Operating Expenses:				
	Contracted Services	16,152	12,821	3,326	79.4
	Supplies & Materials	12,561	6,074	6,487	48.4
	Communication	8,350	7,231	1,119	86.6
	Travel	9,213	2,976	6,237	32.3
	Rent	4,175	2,857	1,318	68.4
	Utilities	7,000	2,800	4,200	40.0
	Repair/Maintenance	9,000	5,241	3,759	58.2
	Other Expenses	15,052	6,001	9,051	39.9
	<b>Total Operating Expenses</b>	<b>81,503</b>	<b>46,007</b>	<b>35,497</b>	<b>56.4</b>
	<b>Total Expended</b>	<b>493,580</b>	<b>304,055</b>	<b>189,525</b>	<b>61.6</b>

	Budget	Expends	Remaining	%
Carr forward 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
<b>Total</b>	<b>201,243</b>	<b>-</b>	<b>201,243</b>	<b>0.0</b>

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2017 Total Budget	2017 Total Expends	%
State Special	1,764,007	1,264,900	310,206	255,960	2,074,213	1,520,860	73.3
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
<b>Total</b>	<b>1,764,007</b>	<b>1,264,900</b>	<b>523,882</b>	<b>363,960</b>	<b>2,287,889</b>	<b>1,628,860</b>	<b>71.2</b>



**REVENUE INTO STATE SPECIAL REVENUE ACCOUNT as of 6/8/17**

	FY 17	FY 16
Oil & Gas Production Tax	\$ 923,425	\$ 813,345
Oil Production Tax	854,680	758,083
Gas Production Tax	68,745	55,261
Drilling Permit Fees	11,650	15,025
UIC Permit Fees	242,800	239,600
Interest on Investments	8,232	10,513
Copies of Documents	468	1,407
Public Information Request	221	
Miscellaneous Reimbursements	-	37,500
<b>TOTAL</b>	<b>\$ 1,186,796</b>	<b>\$ 1,117,390</b>

**REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 6/8/17**

	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:	15,000	234,904
Interest on Investments	6,848	2,016
<b>TOTAL</b>	<b>\$ 21,848</b>	<b>\$ 1,218,264</b>

**INVESTMENT ACCOUNT BALANCES as of 6/8/17**

Regulatory Account	\$ 733,262
Damage Mitigation Account	\$ 870,592

**REVENUE INTO GENERAL FUND FROM FINES as of 6/8/17**

	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
JUSTICE 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
SEYMOUR OIL & GAS	12/5/2016 140
WHITING OIL AND GAS CORP	12/22/2016 250
BENSUN ENERGY LLC	1/9/2017 120
MOUNTAINVIEW ENERGY INC	1/10/2017 70
HINTO ENERGY INC	1/30/2017 160
MONTANA LAND AND MINERAL COMPANY	1/30/2017 120
TYLER ROCKIES EXPLORATION LTD	1/30/2017 70
SEYMOUR OIL AND GAS	2/1/2017 1,380
HEAVY WATER HAULERS INC	2/1/2017 60
SLEEPY HOLLOW OIL / GAS LLC KYKUIT RESOURCES, LLC	2/2/2017 520
ABRAXAS PETROLEUM CORPORATION	2/17/2017 70
HAWLEY OIL LLP	2/24/2017 420
GUDINO SERVICES LLC / FAIRWAYS EXPLORATION AND PRODUCTION LLC	3/3/2017 70
DRAWINGS LLC	3/3/2017 70
JP OIL INC / ANTELOPE RESOURCES INC	3/17/2017 260
SHADWELL RESOURCES GROUP LLC	4/5/2017 2,000
HOFLAND, JAMES D.	4/21/2017 90
MCPHILLIPS, R. D. / MCPHILLIPS, BERNICE	4/21/2017 110
UNITED STATES ENERGY CORP	4/21/2017 90
SLOW POKE PRODUCTION / DOBSON, GEORGE	4/28/2017 70
SONKAR INC	5/3/2017 90
NINE POINT ENERGY LLC	5/15/2017 230
<b>TOTAL</b>	<b>\$ 11,650</b>

**GRANT BALANCES - 6/8/17**

<u>Name</u>	<u>Authorized Amt*</u>	<u>Expended</u>	<u>Balance</u>	<u>Expiration Date</u>
2011 Southern - Tank Battery 2 RIT 12-8723	\$ 204,951	\$ 204,951	\$ -	9/30/2016
2011 Northern/Eastern RIT 13-8753	332,642	332,642	-	9/30/2016
<b>TOTAL</b>	<b>\$ 537,593</b>	<b>\$ 537,593</b>	<b>\$ -</b>	

\* includes match requirement for grant

**CONTRACT BALANCES - 6/8/17**

<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	\$ 620,947	\$ 242,958	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	41,834	28,166	Under Contract	6/30/2017
COR Enterprises - Billings Janitorial	15,188	12,835	2,353	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	2,708	42,785	Under Contract	6/30/2017
O&G Plugging FY 2017 (A)	177,504	162,404	15,101	Under Contract	12/31/2017
<b>TOTAL</b>	<b>\$ 1,474,630</b>	<b>\$ 1,122,660</b>	<b>\$ 351,970</b>		

**Agency Legal Services  
Expenditures in FY17**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 26,614
Hekkel	162
CCRC	866
Ostby	-
Interstate	3,486
Malsam	5,388
Hydraulic	5,318
<b>Total</b>	<b>\$ 41,834</b>

**PLUGGING PROJECTS & FIELD INSPECTOR SUMMARY**

June 14, 2017

**Orphaned Wells Kendrick #3, State E-2, Sprinkle #1 (Completed):**

The wells in this project were combined into a 3 well package. The Kendrick #3, in Big Horn County, the State E-2 in Musselshell County and the Sprinkle #1 in Blain County. Plugging and reclamation has been completed.

**Orphaned Well Flack #1 (Contracted):**

Contract is in place with an ending date of June 30, 2017. 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. Work to plug and reclaim the well will commence the week of 6/13/17 weather permitting.

**Orphaned Well Danielson 1 (out to contract):**

LGWS bid for \$23,805 was accepted.

**Orphaned Well Goeddertz 1: (out to contract)**

LGWS bid for \$20,480 was accepted.

**Orphaned Well Beery 22-24 and Beery 2 (Out for Bid):**

Invitations for Bids have been posted on the State web-site. On-site meetings are scheduled for 4/5/17. Bidding closed 4/20/17.

**Krone-Augusta 31-32 (Out for Bid):**

Request for Proposal (RFP) has been posted on the State web-site. The on-site meeting is scheduled for 4/11/17. Bidding closed 5/24/17

**Inspector Training:**

811 One Call training. All Inspectors have completed this training. The training was presented throughout the state and the inspectors will be able to attend a class near their home towns. Also, scheduled for this year will be the annual H2S re-certification course later due to the large number of current projects.

2017 PLUGGING & RECLAMATION PROJECTS	CONTRACT & BALANCES - 5/24/2017	Amount	Expended	Balance	Reverted Balance	Fund	Exp Date	Status	Ranking	Comments
Flack #1 (Williston Oil & Gas)	Liquid Gold Well Service Inc., OG-LG-159	45,493	2,708	42,785		Damage Mitigation	6/30/2017	Contracted	12	Plug and reclaim (Work scheduled to start 6/15/17)
	<b>Total</b>	<b>45493</b>	<b>2708</b>	<b>42785</b>						
State E-2 (UIC) (Kelly Oil & Gas)	Liquid Gold Well Service Inc., OG-LG-160	77,575	74,677	2,898		Damage Mitigation	12/31/2017	Completed	UIC	Plugging & reclamation completed 5/12/17
Sprinkle #1 (Montana Canadian)	Liquid Gold Well Service Inc., OG-LG-160	18,615	19,740	(1,125)		Damage Mitigation	12/31/2017	Completed	11	Plugging & reclamation completed 4/17/17
Kendrick #3 (Rocky Mountain Operating)	Liquid Gold Well Service Inc., OG-LG-160	81,314	67,986	13,328		Damage Mitigation	12/31/2017	Completed	10	Plugging & reclamation completed 5/10/17
	<b>TOTAL</b>	<b>177,504</b>	<b>162,403</b>	<b>15,101</b>						
Danielson #1 (Patricia Danielson Oil)	Liquid Gold Well Service Inc.	23,805	0	23,805		Damage Mitigation	NA	out to contract	8	Plug and reclaim (bid accepted)
Goeddertz 1 (Agen, J. H.)	Liquid Gold Well Service Inc.	20,480	0	20,480		Damage Mitigation	NA	out to contract	4	Plug and reclaim (bid accepted)
Beery #2 (Native American Energy)	requisitioned amount \$174,000					Damage Mitigation	NA	out to bid	6	Plug and reclaim
Beery #22-24 (Native American Energy)	for both Berry wells					Damage Mitigation	NA	out to bid	8	Plug and reclaim
Augusta-Krone 31-32 (Augusta Exploration)	requisitioned amount \$600,000					Damage Mitigation	NA	out to bid		Plug and reclaim

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

4/5/2017 Through 6/14/2017

### Approved

Crazy Mountain Oil & Gas LLC Parker CO	818 G1	Approved Amount: Purpose:	5/19/2017 \$5,000.00 Single Well Bond
Certificate of Deposit	\$5,000.00	Wells Fargo Bank, NA	ACT
R.C.S. Oil, Inc. Lethbridge AB	418 M2	Approved Amount: Purpose:	5/26/2017 \$50,000.00 Multiple Well Bond
Certificate of Deposit	\$50,000.00	FIRST STATE BANK OF SHELBY	ACT
Remuda Energy Development, LLC Billings MT	585 L1	Approved Amount: Purpose:	4/17/2017 \$27,000.00 Limited Bond
Letter of Credit	\$27,000.00	US Bank	ACT
Walter S. Fees, Jr. & Son Oil & Gas LLC Grand Junction CO	819 G1	Approved Amount: Purpose:	6/7/2017 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	ACT
Walter S. Fees, Jr. & Son Oil & Gas LLC Grand Junction CO	819 G2	Approved Amount: Purpose:	6/7/2017 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00	FIRST INTERSTATE BANK	ACT

### Canceled

General Well Service Inc. Denver CO	2920 B1	Canceled Amount: Purpose:	6/6/2017 \$10,000.00 Blanket Bond
Murphy Exploration and Production Co. El Dorado AR	5300 M1	Canceled Amount: Purpose:	5/8/2017 \$25,000.00 Multiple Well Bond
Sector Resources (II) Ltd. Eugene OR	6807 B1	Canceled Amount: Purpose:	6/13/2017 \$10,000.00 Blanket Bond
Thunderbird Resources LP Oklahoma City OK	675 M1	Canceled Amount: Purpose:	4/21/2017 \$50,000.00 Multiple Well Bond

### Released

R.C.S. Oil, Inc. Lethbridge AB	418 G6	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G1	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond

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

4/5/2017 Through 6/14/2017

## Released

R.C.S. Oil, Inc. Lethbridge AB	418 G10	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G11	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G2	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G3	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G5	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G7	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G8	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G9	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond
R.C.S. Oil, Inc. Lethbridge AB	418 L1	Released Amount: Purpose:	6/1/2017 \$15,000.00 Limited Bond
R.C.S. Oil, Inc. Lethbridge AB	418 L2	Released Amount: Purpose:	6/1/2017 \$9,000.00 Limited Bond
R.C.S. Oil, Inc. Lethbridge AB	418 G4	Released Amount: Purpose:	6/1/2017 \$1,500.00 Single Well Bond

## Rider Approved

Nine Point Energy, LLC Denver CO	718 T1	Rider Approved Amount: Purpose:	5/12/2017 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00	U.S. Specialty Insurance Co.	ACT

Montana Board of Oil and Gas Conservation  
Summary of Bond Activity

4/5/2017 Through 6/14/2017

**Rider Approved**

Nine Point Energy, LLC  
Denver CO

718 M1

Rider Approved

5/12/2017

Amount:

\$50,000.00

Purpose:

Multiple Well Bond

Surety Bond

\$50,000.00

U.S. Specialty Insurance Co.

ACT

# Incident Report

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitud	County	T-R-S
Whiting Oil and Gas Corporation	BOG	1/4/2017	Spill or Release	10 Barrels		Tank or Tank Battery	Yes	47.95467	-104.25585	Richland	26N-58E-32 SWS
TAQA USA, Inc.	BOG	1/4/2017	Spill or Release	80 Barrels		Flow Line - Production	No	48.98073	-104.18007	Sheridan	37N-57E-10 NENE
Newfield Production Company	BOG	1/7/2017	Fire		70 Barrels	Tank or Tank Battery	No	47.62214	-104.14110	Richland	22N-59E-34 NWS
True Oil LLC	BOG	1/9/2017	Spill or Release	35 Barrels		Treater	No	47.95394	-104.24045	Richland	25N-58E-4 NENW
Anadarko Minerals, Inc.	BOG	1/12/2017	Spill or Release		10 Barrels	Flow Line - Injection	No	48.40195	-106.03544	Valley	31N-44E-32 SEN
Anadarko Minerals, Inc.	BOG	1/12/2017	Spill or Release		80 Barrels	Treater	Yes	48.42313	-106.08365	Valley	31N-43E-24 SWS
Rim Operating, Inc.	BOG	1/13/2017	Spill or Release		270 Barrels	Tank or Tank Battery	Yes	48.70257	-104.26715	Sheridan	34N-57E-16 SEN
Northern Oil Production, Inc.	BOG	1/18/2017	Fire			Treater	Yes	48.76938	-104.23923	Sheridan	35N-57E-22 SWS
Citation Oil & Gas Corp.	BOG	1/19/2017	Spill or Release	50 Barrels		Tank or Tank Battery	Yes	48.49539	-109.22854	Blaine	32N-19E-35 NEN
D & M Welding LLC	BOG	1/21/2017	Fire	100 Barrels	200 Barrels	Tank or Tank Battery	Yes	48.74675	-111.90339	Toole	35N-2W-32 NWS
EnergyQuest II, LLC	BOG	1/26/2017	Spill or Release	168 Barrels		Other	No	47.69809	-104.08484	Richland	22N-59E-1 SWNE
Somont Oil Company, Inc.	BOG	2/28/2017	Spill or Release	50 Barrels	30 Barrels	Tank or Tank Battery	No	48.71304	-111.78656	Toole	34N-1W-7 SESW
Landtech Enterprises, LLC	BOG	3/6/2017	Spill or Release		15 Barrels	Tank or Tank Battery	Yes	47.74963	-104.18180	Richland	23N-59E-17 SWS
MCR, LLC	BOG	3/15/2017	Spill or Release	80 Barrels		Tank or Tank Battery	No	48.94486	-111.17270	Liberty	37N-4E-23 SESW
Wesco Operating, Inc.	BOG	3/17/2017	Spill or Release		10 Barrels	Tank or Tank Battery	Yes	46.63594	-104.43111	Fallon	10N-58E-9 SENW
Carrell Oil Company Dbc Coco	FED	3/21/2017	Spill or Release			Well Head	No	47.06749	-107.99458	Petroleum	15N-29E-13 NWN
XTO Energy Inc.	BOG	3/23/2017	Spill or Release		45 Barrels	Tank or Tank Battery	Yes	47.66293	-104.04769	Richland	22N-60E-17 SES
Abraxas Petroleum Corporation	BOG	3/30/2017	Spill or Release	1 Barrels		Well Head	Yes	47.74179	-104.18173	Richland	23N-59E-20 SWN
XTO Energy Inc.	BOG	3/30/2017	Spill or Release	30 Barrels		Treater	Yes	47.67806	-104.04793	Richland	22N-60E-8 SESW
Brown, J. Burns Operating Company	VAR	3/31/2017	Spill or Release			Well Head	No	48.78181	-109.38038	Blaine	35N-18E-21 NWN
Bad Water Disposal, LLP	BOG	4/6/2017	Spill or Release	3 Barrels		Tank or Tank Battery	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
Samson Oil and Gas USA, Inc.	BOG	4/19/2017	Spill or Release		500 Barrels	Flow Line - Production	Yes	48.31557	-104.23542	Roosevelt	30N-58E-31 NWN
Continental Resources Inc	BOG	4/25/2017	Fire	3 Barrels		Flare Pit	No	47.74766	-104.56450	Richland	23N-56E-17 SES
Sannes, Ronald M. Or Margaret Ann	BOG	4/28/2017	Spill or Release	20 Barrels	25 Barrels	Well Head	No	47.88415	-104.25986	Richland	25N-58E-29 SES
Sannes, Ronald M. Or Margaret Ann	BOG	4/28/2017	Spill or Release	40 Barrels		Treater	Yes	47.68481	-104.08096	Richland	22N-59E-12 SENE
Denbury Onshore, LLC	BOG	5/1/2017	Spill or Release	2 Barrels	20 Barrels	Flow Line - Production	No	46.69417	-104.52600	Wibaux	11N-57E-22 SENE
Sannes, Ronald M. Or Margaret Ann	BOG	5/5/2017	Fire	4 Barrels		Flare Pit	Yes	47.68481	-104.08096	Richland	22N-59E-12 SENE
Bad Water Disposal, LLP	BOG	5/6/2017	Spill or Release		2 Barrels	Tank or Tank Battery	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
Western Natural Gas Company	BOG	5/8/2017	Spill or Release		30 Barrels	Tank or Tank Battery	No	48.73041	-111.19859	Liberty	34N-4E-3 NESW
Denbury Onshore, LLC	BOG	5/10/2017	Spill or Release		62 Barrels	Flow Line - Production	No	46.30525	-104.08116	Fallon	6N-61E-4 SWNE
White Rock Oil & Gas, LLC	BOG	5/15/2017	Spill or Release	2 Barrels		Flare Pit	No	47.77125	-104.43639	Richland	23N-57E-8 SENW
Wesco Operating, Inc.	OTR	5/24/2017	Other			Other	No	46.66235	-104.46774	Fallon	11N-58E-31 NWS
TAQA USA, Inc.	BOG	6/2/2017	Spill or Release	30 Barrels		Well Head	No	48.52506	-104.12700	Sheridan	32N-58E-13 NWS
Denbury Onshore, LLC	BOG	6/4/2017	Spill or Release		70 Barrels	Pump Failure	No	46.28259	-104.16978	Fallon	6N-60E-11 SESW



Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitud	County	T-R-S
Petro-Hunt, LLC	BOG	6/6/2017	Spill or Release	2 Barrels	2 Barrels	Tank or Tank Battery	No	48.53522	-104.25790	Sheridan	32N-57E-12 SWS
Continental Resources Inc	BOG	6/8/2017	Spill or Release	4 Barrels	1 Barrels	Flow Line - Production	Yes	47.77514	-104.74629	Richland	23N-54E-11 NENE

## Docket Summary

6/15/2017 Hearing

19-2017	Enerplus Resources USA Corporation	Extend Class II pilot enhanced recovery project for 18 months, Bakken Formation, Bullwinkle-Yahoo #4-1-HSU, permanent spacing unit 23N-57E-3: all, 4: all. Approved for 18 months following re-initiation of injection.	Continued	Continued letter received 5/12/17	<input type="checkbox"/>
20-2017	Kraken Oil & Gas LLC	Amend Order 122-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-4: all, 9: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 8/14/2018.		Order 122-2015: TSU, authorization to drill expired 8/14/2016.	<input type="checkbox"/>
21-2017	Kraken Oil & Gas LLC	Amend Order 123-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-5: all, 8: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 6/19/2018.		Order 123-2015: TSU, authorization to drill expired 6/19/2016.	<input type="checkbox"/>
22-2017	Kraken Oil & Gas LLC	Amend Order 120-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 26N-59E-31: all, 32: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 6/25/2018.		Order 120-2015: TSU, authorization to drill expired 6/25/2016.	<input type="checkbox"/>
23-2017	Kraken Oil & Gas LLC	Amend Order 121-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 26N-59E-21: all, 28: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 6/25/2018.		Order 121-2015: TSU, authorization to drill expired 6/25/2016.	<input type="checkbox"/>
24-2017	Kraken Oil & Gas LLC	Amend Order 116-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 26N-59E-9: all, 16: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 6/25/2018.		Order 116-2015: TSU, authorization to drill expired 6/25/2016.	<input type="checkbox"/>
25-2017	Kraken Oil & Gas LLC	Amend Order 117-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 26N-59E-8: all, 17: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 6/25/2018.		Order 117-2015: TSU, authorization to drill expired 6/25/2016.	<input type="checkbox"/>
26-2017	Kraken Oil & Gas LLC	Amend Order 262-2014, (Temporary spacing unit, Bakken/Three Forks Formation, 27N-57E-14: all, 23: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 8/14/2018.		Order 262-2014: TSU, authorization to drill expired 8/14/2015.	<input type="checkbox"/>
27-2017	Kraken Oil & Gas LLC	Amend Order 141-2015, (Temporary spacing unit, Bakken/Three Forks Formation, 27N-57E-15: all, 22: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.) Amend that operations must commence by 8/13/2018.		Order 141-2015: TSU, authorization to drill expired 8/13/2016.	<input type="checkbox"/>

28-2017	Kraken Oil & Gas LLC	Amend Order 380-2011 to authorize the drilling of a horizontal wells, 500' lateral, 200' heel/toe setbacks in temporary spacing unit, Bakken/Three Forks Formation, 27N-57E-3: all, 10: all. Apply for permanent spacing within 90 days of successful completion. Operations must commence within one year of date of order.		<input type="checkbox"/>
29-2017	Kraken Oil & Gas LLC	Overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-58E-13: all, 24: all, 28N-59E-18: all, 19: all, drill an additional well proximal to common boundary between existing spacing units	<i>Protest letter received: 6/9/17</i>	<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.	<i>Staff continued on 11/28/16 for failure to run newspaper notice and failure to notice landowner.</i>  <i>Staff continued on 1/5/17 for failure to run correct hearing date in the newspaper notice.</i>  <i>Staff continued on 3/7/17 for failure to run correct newspaper notice. (prior to publication)</i>	<input type="checkbox"/>
30-2017	Montana Oil Field Acquisition I, LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.		<input type="checkbox"/>
31-2017	Mountain Pacific General Inc.	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.		<input type="checkbox"/>
32-2017	Black Gold Energy Resource Development, LLC	Verify the spill was cleaned up at the Indian Mound 1 well and the fine was collected. Fine of \$250/day if the spill was not cleaned up by 12/1/16.	<i>Docketed at the 4/5/17 business meeting</i>	<input type="checkbox"/>
338-2014	K2 America Corporation	Show Cause: why its bond should not be forfeited for failure to provide a plan and timeline for plugging its wells. [Continued from 6/25/2015 & 6/16/2016.]		<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"/>

# **GAS FLARING**

**June 14, 2017**

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Continental	1	0	1	0	1
Kraken	1	0	1	0	1
Petro-Hunt	3	0	3	0	0
Whiting	3	3	0	18	0
Totals	8	3	5	18	2

# Flaring Requests

## *Summary*

There are 8 wells flaring over 100 MCFG per day based on current production numbers.

5 of the 8 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 18 exceptions requested at this time.

## *Whiting Oil & Gas*

### **Prewitt 21-25-2H – API #25-083-23317, 25N-58E-25**

1. Flaring 85 MCF/D. Fourth exception request.
2. Completed: 2/2015.
3. Estimated gas reserves: 492 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Buxbaum 21-5-1H – API #25-083-23256, 24N-60E-5**

1. Flaring 88 MCF/D. Fourth exception request.
2. Completed: 2/2015.
3. Estimated gas reserves: 550 MMCF.
4. Proximity to market: 11,000 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Buxbaum 21-5-2H – API #25-083-23316, 24N-60E-5**

1. Flaring 97 MCF/D. Fourth exception request.
2. Completed: 2/2015.
3. Estimated gas reserves: 783 MMCF.
4. Proximity to market: 11,000 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Buxbaum 21-5-3H – API #25-083-23315, 24N-60E-5**

1. Flaring 103 MCF/D. Fourth exception request.
2. Completed: 2/2015.
3. Estimated gas reserves: 798 MMCF.
4. Proximity to market: 11,000 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Malsam 14-18-1H – API #25-083-23263, 24N-60E-18**

1. Flaring 124 MCF/D. Fourth exception request.
2. Completed: 1/2015.
3. Estimated gas reserves: 361 MMCF.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Malsam 14-18-3H – API #25-083-23265, 24N-60E-18**

10. Flaring 141 MCF/D. Fourth exception request.
11. Completed: 1/2015.
12. Estimated gas reserves: 410 MMCF.
13. Proximity to market: 1,500 ft to pipeline.
14. Estimated gas price at market: ~\$2.63/MCF.
15. Estimated cost of marketing the gas: ~\$200,000.
16. Flaring alternatives: None.
17. Amount of gas used in lease operations: 2 MCF/D.
18. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Malsam 14-18-4H – API #25-083-23266, 24N-60E-18**

1. Flaring 159 MCF/D. Fourth exception request.
2. Completed: 1/2015.
3. Estimated gas reserves: 419 MMCF.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Skov 31-27-3H – API #25-083-23295, 25N-59E-27**

1. Flaring 97 MCF/D. Fourth exception request.

2. Completed: 1/2015.
3. Estimated gas reserves: 441 MMCF.
4. Proximity to market: 12,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

#### **Palmer 24-21-4H – API #25-083-23250, 26N-57E-21**

1. Flaring 137 MCF/D. Sixth exception request.
2. Completed: 7/2014.
3. Estimated gas reserves: 574 MMCF.
4. Proximity to market: 16,400 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

#### **Young 31-1-1H – API # 25-083-23261, 24N-59E-1**

1. Flaring 111 MCF/D. Third exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 397 MMCF EUR.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

#### **Young 31-1-2H – API # 25-083-23282, 24N-59E-1**

1. Flaring 121 MCF/D. Third exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 463 MMCF EUR
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

#### **Young 31-1-3H – API # 25-083-23272, 24N-59E-1**

1. Flaring 118 MCF/D. Third exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 424 MMCF EUR.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Justification to flare: Insufficient compression capacity on Oneok's system in this area.



### **Young 31-1-4H – API # 25-083-23273, 24N-59E-1**

1. Flaring 138 MCF/D. Third exception request.
2. Completed: 11/2014.
3. Proximity to market: 1,500 ft to pipeline.
4. Estimated gas price at market: ~\$2.63/MCF.
5. Flaring alternatives: None.
6. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Hunter 21-26-1H – API #25-083-23258, 25N-58E-26**

1. Flaring 88 MCF/D. Fourth exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 379 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Hunter 21-26-2H – API #25-083-23274, 25N-58E-26**

1. Flaring 96 MCF/D. Fourth exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 404 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Hunter 21-26-3H – API #25-083-23275, 25N-58E-26**

9. Flaring 119 MCF/D. Fourth exception request.
10. Completed: 11/2014.
11. Estimated gas reserves: 455 MMCF.
12. Proximity to market: 500 ft to pipeline.
13. Estimated gas price at market: ~\$2.63/MCF.
14. Flaring alternatives: None.
15. Amount of gas used in lease operations: 2 MCF/D.
16. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

### **Hunter 21-26-4H – API #25-083-23276, 25N-58E-26**

1. Flaring 95 MCF/D. Fourth exception request.
2. Completed: 12/2014.
3. Estimated gas reserves: 368 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.

8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

**Christiansen 34-12-4H – API #25-083-23225, 25N-58E-12**

1. Flaring 104 MCF/D. Third exception request.
2. Completed: 8/2014.
3. Estimated gas reserves: 435 MMCF.
4. Proximity to market: 5280 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

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