

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

IN THE MATTER OF THE APPLICATION OF BRISCOE PETROLEUM, LLC FOR AN ORDER DESIGNATING A TEMPORARY SPACING UNIT ("TSU") COMPRISED OF THE E/2SE/4 OF SECTION 31 AND THE W/2SW/4 OF SECTION 32, TOWNSHIP 1 NORTH, RANGE 35 EAST, M.P.M., BIG HORN COUNTY, MONTANA, FOR PURPOSES OF DRILLING AN OIL AND GAS WELL TO THE AMSDEN FORMATION AT AN APPROXIMATE LOCATION 36' FWL AND 1,275' FSL IN SAID SECTION 32, AS AN EXCEPTION TO A.R.M. 36.22.702, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 10-2018

APPLICATION

BRISCOE PETROLEUM, LLC, P.O. Box 6690, Sheridan, Wyoming 82801:

[A] Presents the following application:

1. Applicant is an interest owner and operator within the E/2SE/4 of Section 31 and the W/2SW/4 of Section 32, Township 1 North, Range 35 East, M.P.M., Big Horn County, Montana, which tracts are presently unspaced.
2. Applicant desires to drill an Amsden formation test at an approximate location 36' FWL and 1,275' FSL in said Section 32, and to protect the correlative rights of all owners seeks an order designating a Temporary Spacing Unit comprised of the E/2SE/4 of Section 31 and the W/2SW/4 of Section 32, Township 1 North, Range 35 East, M.P.M., as an exception to A.R.M. 36.22.702.
3. Applicant will, within 90 days of successful well completion, file an application for Board consideration of permanent spacing and all other matters relating to production from said well.

[B] Requests:

1. This matter be set for hearing, with notice given as required by law and the MOU; and
2. After hearing the matter, the Board enter its order designating a Temporary Spacing Unit comprised of the E/2SE/4 of Section 31 and the W/2SW/4 of Section 32, Township 1 North, Range 35 East, M.P.M., Big Horn County, Montana, for purposes of drilling an Amsden formation test at an approximate location 36' FWL and 1,275' FSL in said Section 32, as an exception to A.R.M. 36.22.702.

DATED this 6th day of March, 2018.

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**MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS**

BRISCOE PETROLEUM, LLC

By _____

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

Email: jlee@crowleyfleck.com

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

IN THE MATTER OF THE APPLICATION OF XTO ENERGY INC. FOR AN ORDER AUTHORIZING THE CONVERSION OF THE DONNA #31X-15BXC WELL (API # 25083228770000) INTO A CLASS II INJECTION WELL AND APPROVING A PILOT ENHANCED RECOVERY PROJECT PURSUANT TO A.R.M. 36.22.1229 WITHIN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, TOWNSHIP 24 NORTH, RANGE 56 EAST, M.P.M, RICHLAND COUNTY, MONTANA, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM NECESSARY AND APPROPRIATE

MBOGC DOCKET NO. 11-2018

APPLICATION

XTO ENERGY INC., 810 Houston Street, Fort Worth, Texas 76102-6298:

[A] Presents the following application:

1. Applicant is an interest owner within the above-described tract, and the operator of the Donna #31X-15BXC well located thereon which is commercially productive of oil and associated natural gas from the Bakken formation thereunder.

2. All of Sections 15 and 22, Township 24 North, Range 56 East, M.P.M., Richland County, Montana, were designated as a Permanent Spacing Unit for Bakken formation production pursuant to MBOGC Order No. 309-2003.

3. Applicant requests authority to convert the Donna #31X-15BXC well into a Class II injection well for purposes of conducting a pilot enhanced recovery project in the Bakken formation involving All of Sections 15 and 22, Township 24 North, Range 56 East, M.P.M., pursuant to A.R.M. 36.22.1229. It is the Applicant's opinion that approval of the request herein will protect correlative rights and prevent waste. A concomitant UIC application will be filed with the Board in compliance with A.R.M. 36.22.1403, with notice given thereof in accordance with A.R.M. 36.22.1409.

[B] Requests:

1. This matter be set for hearing, with notice given as required by law and the MOU; and

2. After hearing the matter, the Board enter its order granting Applicant's request to convert the Donna #31X-15BXC well into a Class II injection well and approving a pilot enhanced recovery project in the Bakken formation involving All of Sections 15 and 22, Township 24 North, Range 56 East, M.P.M., Richland County, Montana, pursuant to A.R.M. 36.22.1229 for a period not to exceed eighteen (18) months from the commencement of injection operations, and such other and further relief as the MBOGC may deem necessary and appropriate.

DATED this 7th day of March, 2018.

XTO ENERGY INC.

By _____

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

E-Mail: jlee@crowleyfleck.com

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**MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS**

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

Docket 12-2018



STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

FedEx Tracking #: 7716 1490 4748

February 27, 2018

White Rock Oil & Gas, LLC
5810 Tennyson Parkway, Suite 500
Plano, TX 75024

Re: Pending Notices of Intent to Change Operator and Request to Appear

Dear White Rock Oil & Gas, LLC:

This letter is regarding the Notice of Intent to Change Operator requests from Vanguard Operating LLC to White Rock Oil & Gas, LLC (White Rock), and from Oasis Petroleum North America LLC to White Rock that were recently submitted to the Board of Oil and Gas Conservation (Board).

The Board and its staff has reviewed the requests, and due to the high number of shut-in wells with the potential for significant future plugging liability, the Board is following ARM 36.22.1308(3) and requiring White Rock to appear at the April 19, 2018, public hearing. At that time the Board will determine if White Rock's current \$50,000 multiple well plugging and reclamation bond is adequate, if the bond amount should be doubled, or if the number of wells covered by the multiple well bond should be limited. This determination will be made prior to the approval of the change of operator requests.

Information to provide to the Board should include White Rock's principals and business structure, relevant industry experience, and financial information to demonstrate that sufficient bond coverage will exist to assure performance of the duty to plug each dry or abandoned well as required under § 82-11-123(5), MCA.

Maps showing the distribution of wells currently operated by White Rock, a schedule of plans for abandonment or return to production of non-producing wells, or any other information to assist the board in its review should also be provided.

DIVISION OFFICE
1539 11th AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6731

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

White Rock is a relatively new company to us, and I look forward to meeting and working with you in the future. If you have any questions, please contact me at (406) 656-0040 or at jhalvorson@mt.gov.

Sincerely,

A handwritten signature in cursive script that reads "Jim".

Jim Halvorson
Administrator / Petroleum Geologist

cc: Oasis Petroleum North America LLC
Vanguard Operating, LLC

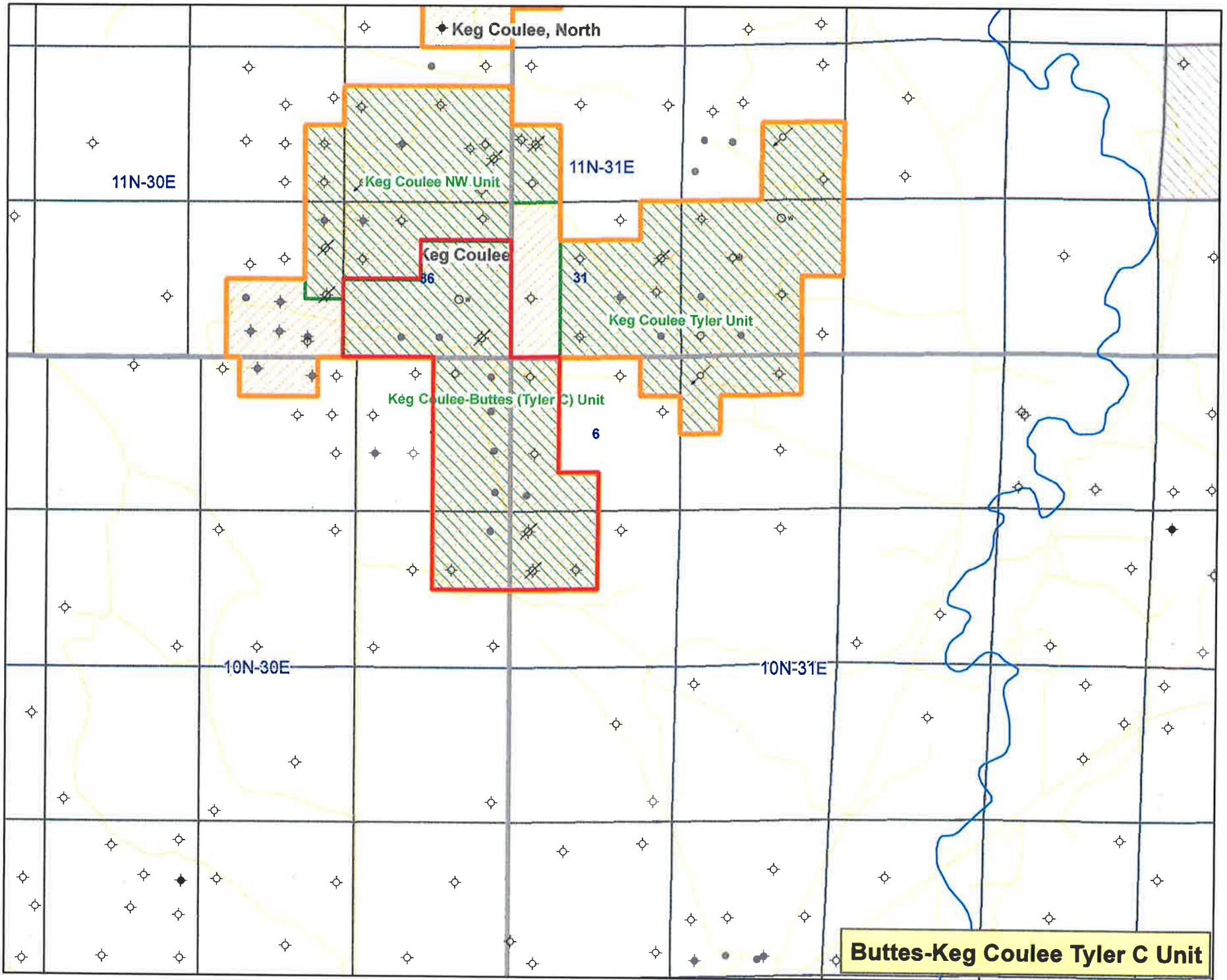
Buttes-Keg Coulee (Tyler "C" Sand) Unit

Request that a hearing be scheduled to vacate Board Order 18-69 that approved a waterflood project and unit agreement for the Buttes-Keg Coulee (Tyler "C" Sand) Unit.

The unit was established as a federal waterflood unit effective November 1, 1969 and was terminated by the Bureau of Land Management (BLM) on September 27, 2017.

There are no unplugged injection wells in the unit. The remaining oil wells were orphaned by Kelly Oil and Gas when its bond was forfeited.

Unit map, BLM letter of termination, and Order 18-69 attached.





United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Montana State Office
5001 Southgate Drive
Billings, Montana 59101-4669
www.blm.gov/montana-dakotas

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In Reply Refer To:

Buttes Keg Coulee Tyler "C" Sand Unit
MTM 68653X
(MT9221.MP)

September 27, 2017

Ms. Beth Rodgers
Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 79702-0352

Dear Ms. Rodgers:

The Buttes Keg Coulee Tyler "C" Sand Unit was approved effective November 1, 1969, as a water flood secondary recovery unit located in Musselshell County, Montana. There are 232.22 acres of Federal lands, 441.89 acres of State lands and 656.16 acres of Fee lands in the unit.

As part of its Chapter 7 bankruptcy procedures, Xeric Oil & Gas Corporation (Xeric) entered into a purchase and sale agreement with Kelly Oil & Gas LLC in 2010. Mr. Kelly Gebhardt, co-manager of Kelly Oil & Gas, and his attorney Mr. Floyd Brower met with our Miles City Field Office staff in 2013 to discuss their acquisition of Xeric's properties. They were notified of the bonding requirements and the forms required to become the successor unit operator. Although contacted by the Bureau of Land Management (BLM) on more than one occasion, Kelly Oil & Gas LLC has not provided the necessary forms nor the required bonding to become the unit operator of the Buttes Keg Coulee Tyler "C" Sand Unit.

Section 8 of the unit agreement states "If no successor unit operator is selected and qualified as herein provided, the Director as his election may declare this unit agreement terminated." Therefore, the BLM hereby terminates the Buttes Keg Coulee Tyler "C" Sand Unit in Musselshell County, Montana, effective as of the date of this letter.

If you need clarification or would like to discuss this further, please contact Mark Robillard at (406) 896-5035.

Sincerely,

Travis Kern, Chief
Branch of Fluid Minerals

cc: Mr. Monte Mason
Minerals Management Bureau
Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601

Montana Board of Oil and Gas Conservation
2535 St. John's Avenue
Billings, Montana 59102

Field Manager, Miles City Field Office (electronic copy)

Mr. Glen Reese
Office of Natural Resources Revenue (electronic copy)

Mr. Kelly Gebhardt
Kelly Oil & Gas LLC
P.O. Box 724
Roundup, Montana 59072-0724

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MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

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

IN THE MATTER OF THE APPLICATION OF)
BG&O CO. FOR APPROVAL OF A WATERFLOOD)
PROJECT IN THE BUTTES-KEG COULEE)
(TYLER "C" SAND) UNIT AREA, SOUTH KEG)
COULEE FIELD, MUSSELSHELL COUNTY, MON)
TANA.)

ORDER NO. 18-69

Docket No. 14-69)

Report of the Commission

The above entitled cause came on regularly for hearing on the 17th day of July, 1969, at 4:00 o'clock P.M., in Room 605, County Courthouse, City of Billings, County of Yellowstone, State of Montana, pursuant to the order of the Oil and Gas Conservation Commission of the State of Montana, hereinafter referred to as the "Commission", and notice of said hearing was duly given as required by law. Testimony was presented, statements and exhibits received, and the Commission then took the cause under advisement; and, the Commission having fully considered the testimony, statements and exhibits, and all things and matters presented to it for its consideration by all parties in the docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Legal notice was published and given of this matter, of the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties were afforded ample opportunity to present evidence, oral and documentary.

2. Applicant is an interest owner in the South Keg Coulee Field, Musselshell County, Montana and has applied to the Commission for an order approving a waterflood injection pressure maintenance program, the Buttes-Keg Coulee (Tyler "C" Sand) Unit Area and for approval of the Buttes-Keg Coulee (Tyler "C" Sand) Unit Agreement. The Unit Area contains approximately 1,330.27 acres and covers the following described land in Musselshell County, Montana:

Township 10 North, Range 30 East, MP11

Section 1: Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
Section 12: NE $\frac{1}{4}$

Township 10 North, Range 31 East, MP11

Section 6: Lots 4, 5, 6 and 7, SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 7: Lots 1 and 2, E $\frac{1}{2}$ NW $\frac{1}{4}$

Township 11 North, Range 30 East, MP11

Section 36: Lots 2, 3 and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$,
SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

Applicant proposes to inject water into the Tyler "C" Sand using two injection wells, one located in the SE $\frac{1}{4}$ of Section 36, Township 11 North, Range 30 East and the other located in the SW $\frac{1}{4}$ of Section 7, Township 10 North, Range 31 East, said water to be obtained by drilling a well to the Madison Limestone. As the waterflood progresses, additional water input wells will be required. Primary energy of the Reservoir is gradually being depleted. Inauguration of waterflood injection pressure maintenance program such as that proposed by the applicant will result in the recovery of a substantial amount of additional oil which would otherwise remain in place. The proposed Unit Agreement has been signed by all interest owners within the proposed Unit Area. No objections have been filed to the application.

3. Approval of the application as applied for will be in the interest of conservation of oil and gas in the State of Montana.

Conclusion of Law

The Commission concludes, as a matter of law, that the application of BG&O Co. should be granted as applied for.

Order

IT IS THEREFORE ORDERED by the Oil and Gas Conservation Commission of the State of Montana that the application of BG&O Co. to institute and operate a waterflood project in the South Keg Coulee Field, Musselshell County, Montana, is hereby granted as applied for. The applicant is further authorized to use water produced from the Madison Limestone for injection into the Tyler "C" Sand in the waterflood project in the Unit Area.

IT IS FURTHER ORDERED that applicant may expand this project to final stages of waterflooding throughout the proposed field and convert present wells for additional input wells without further notice and hearing but subject to administrative authorization by this Commission for each additional input well.

Done and performed by the Oil and Gas Conservation Commission of the State of Montana, at Billings, Montana, this 17th day of July, 1969.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF MONTANA

Winston L. Cox, Chairman
Allen Zimmerman, Vice-Chairman
E. G. Balsam, Commissioner
C. J. Iverson, Commissioner

(Seal)

ATTEST:

Norman J. Beaudry, Executive Secretary