

# EXHIBIT 1

## MONTANA BOARD OF OIL AND GAS CONSERVATION FINANCIAL STATEMENT As of 4/3/19 Fiscal Year 2019: Percent of Year Elapsed - 76%

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,216,149	766,353	449,796	63.0
UIC	Personal Services	266,959	171,854	95,105	64.4
	<b>Total Expended</b>	<b>1,483,108</b>	<b>938,207</b>	<b>544,901</b>	<b>63.3</b>
Regulatory	Equipment & Assets	46,371	335	46,036	0.7
UIC	Equipment & Assets	10,179	74	10,105	0.7
	<b>Total Expended</b>	<b>56,550</b>	<b>409</b>	<b>56,141</b>	<b>0.7</b>
Regulatory	Operating Expenses:				
	Contracted Services	168,795	69,891	98,904	41.4
	Supplies & Materials	45,164	30,828	14,336	68.3
	Communication	63,337	36,716	26,621	58.0
	Travel	36,206	16,368	19,838	45.2
	Rent	25,877	13,104	12,773	50.6
	Utilities	16,770	8,830	7,940	52.7
	Repair/Maintenance	24,633	15,762	8,871	64.0
	Other Expenses	26,216	17,747	8,469	67.7
	<b>Total Operating Expenses</b>	<b>406,998</b>	<b>209,246</b>	<b>197,752</b>	<b>51.4</b>
UIC	Operating Expenses:				
	Contracted Services	37,051	12,384	24,667	33.4
	Supplies & Materials	9,915	6,421	3,494	64.8
	Communication	13,902	8,223	5,679	59.1
	Travel	7,947	2,095	5,852	26.4
	Rent	5,680	2,876	2,804	50.6
	Utilities	3,681	1,938	1,743	52.7
	Repair/Maintenance	5,407	2,617	2,790	48.4
	Other Expenses	5,754	631	5,123	11.0
	<b>Total Operating Expenses</b>	<b>89,337</b>	<b>37,185</b>	<b>52,152</b>	<b>41.6</b>
	<b>Total Expended</b>	<b>496,335</b>	<b>246,431</b>	<b>249,904</b>	<b>49.7</b>

	Budget	Expends	Remaining	%
Carryforward FY17				
Personal Services	-	-	-	0.0
Operating Expenses	-	-	-	0.0
Equipment & Assests	-	-	-	0.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
Carryforward FY18				
Personal Services	40,472	-	40,472	0.0
Operating Expenses	40,471	-	40,471	0.0
Equipment & Assests	30,000	-	30,000	0.0
<b>Total</b>	<b>110,943</b>	<b>-</b>	<b>110,943</b>	<b>0.0</b>

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2018 Total Budget	2018 Total Expends	%
State Special	1,669,518	975,934	366,475	209,113	2,035,993	1,185,047	58.2
Federal 2018 UIC (10-1-2017 to 9-30-2018)			108,000	108,000	108,000	108,000	100.0
Federal 2019 UIC (10-1-2018 to 9-30-2019)	-	-	115,000	-	115,000	-	0.0
<b>Total</b>	<b>1,669,518</b>	<b>975,934</b>	<b>589,475</b>	<b>317,113</b>	<b>2,258,993</b>	<b>1,293,047</b>	<b>57.2</b>

**REVENUE INTO STATE SPECIAL REVENUE ACCOUNT**

	FY 19	FY 18
Oil & Gas Production Tax	\$ 1,100,287	\$ 3,492,293
Oil Production Tax	1,034,270	3,205,721
Gas Production Tax	66,017	286,571
Drilling Permit Fees	9,600	15,500
UIC Permit Fees	239,800	239,800
Interest on Investments	27,674	11,133
Copies of Documents	486	658
Miscellaneous Reimbursements	-	23,045
<b>TOTAL</b>	<b>\$ 1,377,847</b>	<b>\$ 3,782,429</b>

**REVENUE INTO DAMAGE MITIGATION ACCOUNT**

	FY 19	FY 18
RIT Investment Earnings:	\$ -	\$ 131,005
July	-	-
August	-	12,531
September	-	9,947
October	-	10,149
November	-	12,509
December	-	10,203
January	-	10,392
February	-	11,740
March	-	9,234
April	-	11,055
May	-	11,940
June	-	21,305
Bond Forfeitures:	70,310	210,381
Interest on Investments	7,186	9,663
<b>TOTAL</b>	<b>\$ 77,496</b>	<b>\$ 351,049</b>

**INVESTMENT ACCOUNT BALANCES**

Regulatory Account	\$ 2,345,785
Damage Mitigation Account	\$ 393,436

**REVENUE INTO GENERAL FUND FROM FINES**

	FY 19
FRANK MILLER	7/6/2018 \$ 60
SCOUT ENERGY MANAGEMENT LLC	7/10/2018 4,140
WHITE ROCK OIL AND GAS LLC	7/20/2018 140
BALLANTYNE VENTURES LLC	7/27/2018 140
NINE POINT ENERGY LLC	7/27/2018 220
SCOUT ENERGY MANAGEMENT LLC	7/27/2018 4,140
HAWLEY OIL LLP	8/10/2018 440
SONKAR INC	8/10/2018 90
GREAT PLAINS ENERGY INC	8/10/2018 60
GERALD W PAUGH	8/22/2018 70
QUINGUE OIL	8/31/2018 60
GEORGE CAMPANELLA	8/31/2018 110
HAWLEY OIL LLP	8/31/2018 110
GEORGE CAMPANELLA	8/31/2018 110
BERNICE MCPHILLIPS	8/31/2018 110
CRAZY MOUNTAIN OIL AND GAS LLC	8/31/2018 370
GRASSY BUTTE	8/31/2018 70
MYSTIQUE RESOURCES COMPANY	9/7/2018 60
INTERMOUNTAIN LEASING INC.	9/28/2018 120
HOFLAND JAMES D	10/19/2018 70
LOWRANCE COMPANY INC / AIKINS DRILLING COMPANY	10/26/2018 70
CALIBER MIDSTREAM PARTNERS LP	11/2/2018 70
HIGHLANDS NATURAL RESOURCES CORP	11/2/2018 60
DRAWINGS LLC	11/9/2018 70
ALTA VISTA OIL AND GAS	11/9/2018 70
MONTANA LAND AND MINERAL COMPANY	11/9/2018 70
SHADWELL RESOURCES GROUP LLC	11/9/2018 70
SEYMOUR OIL & GAS	11/16/2018 60
PROVIDENT ENERGY OF MONTANA LLC	11/28/2018 180
HOFLAND, JAMES D	12/11/2018 70
HAWLEY OIL LLP	1/4/2019 250
UNITED STATES ENERGY CORP	1/4/2019 70
BEHM ENERGY	1/7/2019 70
SHADWELL RESOURCES GROUP LLC	1/7/2019 1,000
PEARSON, GABRIEL	1/16/2019 120
BIG SNOWY RESOURCES LP	1/16/2019 130
SAGE CREEK COLONY	1/16/2019 60
RINCON OIL AND GAS LLC	2/4/2019 60
RINCON OIL AND GAS LLC	2/4/2019 60
ROLAND OIL AND GAS	2/15/2019 110
ROLAND OIL AND GAS	2/15/2019 110
KEESUN CORP	2/15/2019 60
SLOHCIN INC	2/15/2019 70
J AND M SNAKECREEK DISPOSAL	2/21/2019 70
<b>TOTAL</b>	<b>\$ 13,720</b>

**DAMAGE MITIGATION CONTRACTS**

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Beery 2 and Beery 22-24 Wells Plug and Reclaim	\$ 176,500	\$ 155,704	\$ 20,796	Under Contract	6/30/2019
Krone-Augusta 31-32-1 Well Plug and Reclaim	600,000	393,590	206,411	Completed	9/30/2018
Dybvik KV 1 Remediation	21,465	-	21,465	Under Contract	12/31/2019
<b>TOTAL</b>	<b>\$ 797,965</b>	<b>\$ 549,294</b>	<b>\$ 248,671</b>		

**CONTRACTS**

<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	\$ 715,310	\$ 148,595	Under Contract	12/31/2019
Agency Legal Services 2019	70,000	15,052	54,948	Under Contract	6/30/2019
COR Enterprises - Billings Janitorial	48,664	42,496	6,168	Under Contract	6/30/2019
Production and Injection Form Data Entry	66,000	28,387	37,613	Under Contract	2/28/2019
<b>TOTAL</b>	<b>\$ 1,048,569</b>	<b>\$ 801,246</b>	<b>\$ 247,323</b>		

**Agency Legal Services  
Expenditures in FY19**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 14,626
MEIC	426
<b>Total</b>	<b>\$ 15,052</b>

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

**EXHIBIT 2**

2/14/2019 Through 4/9/2019

**Approved**

Empire North Dakota LLC Tulsa OK	851 M1	Approved Amount: \$50,000.00 Purpose: Multiple Well Bond	4/4/2019
Surety Bond	\$50,000.00 Aspen American Insurance Company	ACT	
Midway Energy, LLC Thermopolis WY	849 T2	Approved Amount: \$10,000.00 Purpose: UIC Single Well Bond	4/8/2019
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK	ACT	
Midway Energy, LLC Thermopolis WY	849 T1	Approved Amount: \$10,000.00 Purpose: UIC Single Well Bond	4/8/2019
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK	ACT	
Midway Energy, LLC Thermopolis WY	849 M1	Approved Amount: \$50,000.00 Purpose: Multiple Well Bond	4/8/2019
Certificate of Deposit	\$50,000.00 FIRST INTERSTATE BANK	ACT	

**Canceled**

Klabzuba Oil & Gas, Inc. Denver CO	207 M1	Canceled Amount: \$50,000.00 Purpose: Multiple Well Bond	4/8/2019
Shadwell Resources Group, LLC Billings MT	687 T1	Canceled Amount: \$10,000.00 Purpose: UIC Single Well Bond	2/22/2019

**Forfeited**

Hinto Energy, LLC Edwards CO	749 T1	Forfeited Amount: \$10,000.00 Purpose: UIC Single Well Bond	4/5/2019
Hinto Energy, LLC Edwards CO	749 M1	Forfeited Amount: \$50,000.00 Purpose: Multiple Well Bond	4/5/2019

**Letter Sent**

Hinto Energy, LLC Edwards CO	749 T1	Letter Sent Amount: \$10,000.00 Purpose: UIC Single Well Bond	2/21/2019
Hinto Energy, LLC Edwards CO	749 M1	Letter Sent Amount: \$50,000.00 Purpose: Multiple Well Bond	2/21/2019

Montana Board of Oil and Gas Conservation  
Summary of Bond Activity

2/14/2019 Through 4/9/2019

Letter Sent

Pronghorn Petroleum Joint Venture	272 T1	Letter Sent	2/21/2019
Baker MT		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Certificate of Deposit	\$10,000.00	1ST INTERST BNK OF COM, BLGS	ACT

# Incident Report

EXHIBIT 3

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Denbury Onshore, LLC	FED	2/14/2019	Spill or Release		5 Barrels	Flow Line - Injection	No	46.28972	-104.19056	Fallon	6N-60E-10 SENW
White Rock Oil & Gas, LLC	BOG	2/15/2019	Spill or Release	40 Barrels		Tank or Tank Battery	Yes	47.76712	-104.40473	Richland	23N-57E-9 NESE
Denbury Onshore, LLC	BOG	2/21/2019	Spill or Release		100 Barrels	Flow Line - Injection	No	46.35017	-104.22952	Fallon	7N-60E-20 NWNE
Denbury Onshore, LLC	BOG	2/22/2019	Spill or Release	100 Barrels	100 Barrels	Treater	Yes	46.62110	-104.45530	Fallon	10N-58E-17 SWNW
Denbury Onshore, LLC	BOG	2/26/2019	Spill or Release		15 Barrels	Flow Line - Injection	No	46.75227	-104.55757	Wibaux	12N-57E-33 SENW
Kraken Operating, LLC	BOG	3/4/2019	Spill or Release	2 Barrels		Treater	No	48.18577	-104.17277	Roosevelt	28N-58E-13 NENW
Black Gold Energy Resource Development	BOG	3/5/2019	Spill or Release	12 Barrels		Tank or Tank Battery	No	47.74891	-104.65243	Richland	23N-55E-15 SWSW
Denbury Onshore, LLC	BOG	3/8/2019	Spill or Release	120 Barrels		Other	Yes	46.62110	-104.45530	Fallon	10N-58E-17 SWNW
Knaup, Harry J. & Lucille	BOG	3/8/2019	Spill or Release	15 Barrels		Tank or Tank Battery	No	48.80597	-111.87766	Toole	35N-2W-9 SENW
White Rock Oil & Gas, LLC	FED	3/11/2019	Spill or Release	5 Barrels	10 Barrels	Tank or Tank Battery	Yes	47.70590	-104.04622	Richland	23N-60E-32 SESW
Vanguard Operating, LLC	BOG	3/12/2019	Spill or Release	8 Barrels	3 Barrels	Flow Line - Production	Yes	45.01890	-108.90674	Carbon	9S-23E-28 NESE
Denbury Onshore, LLC	BOG	3/16/2019	Spill or Release		200 Barrels	Flow Line - Injection	No	46.34127	-104.22195	Fallon	7N-60E-20 SESE
Denbury Onshore, LLC	BOG	3/17/2019	Spill or Release		30 Barrels	Flow Line - Injection	No	46.32371	-104.13428	Fallon	7N-61E-36 NWNW
XTO Energy Inc.	BOG	3/18/2019	Fire	2 Barrels		Treater	No	47.65803	-104.10584	Richland	22N-59E-23 NWNE
Denbury Onshore, LLC	FED	3/25/2019	Spill or Release	15 Barrels	50 Barrels	Flow Line - Production	No	46.44434	-104.31494	Fallon	8N-59E-14 NESW
Denbury Onshore, LLC	FED	3/26/2019	Spill or Release	1 Barrels		Other	No	46.30948	-104.20162	Fallon	6N-60E-4 NENE
XTO Energy Inc.	BOG	3/31/2019	Spill or Release	1 Barrels		Flare Pit	No	47.73219	-104.40299	Richland	23N-57E-28 NENE
Whiting Oil and Gas Corporation	BOG	3/31/2019	Spill or Release		51 Barrels	Tank or Tank Battery	Yes	47.89573	-104.41181	Richland	25N-57E-30 NENW
Chaco Energy Company	BOG	4/1/2019	Spill or Release		15 Barrels	Treater	Yes	47.92758	-104.10393	Richland	25N-59E-9 SWSE
Continental Resources Inc	BOG	4/4/2019	Fire	1 Barrels		Treater	No	48.05480	-104.85735	Richland	27N-53E-34 NWNE
Denbury Onshore, LLC	BOG	4/4/2019	Spill or Release		80 Barrels	Flow Line - Injection	No	46.41378	-104.30333	Fallon	8N-59E-26 SESE

**Docket Summary**

14-2019	Kraken Oil & Gas LLC	Amend Order 380-2011 to authorize the drilling of up to two horizontal wells with a common pad in temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-12: all, 13: all, 200' heel/toe setbacks, 500' lateral. Apply for permanent spacing within 90 days of successful completion. Operations must commence within one year of date of order.			<input type="checkbox"/>
15-2019	Kraken Oil & Gas LLC	Amend Order 16-2011 & Order 68-2017, authorize the drilling of up to four horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit, Bakken/Three Forks Formation, 28N-58E-15: all, 22: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order.			<input type="checkbox"/>
16-2019	Kraken Oil & Gas LLC	Authorize the drilling of up to three additional wells in permanent spacing unit, Bakken/Three Forks Formation, 27N-57E-13: all, 24: all, 200' heel/toe, 500' lateral setbacks. Default docket requested.		PSU, Order 114-2015	<input type="checkbox"/>
17-2019	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-13: all, 24: all (Gehring 24-13 #2H, Gehring 24-13 #3H, and Gehring 24-13 #4H). Non-consent penalties requested.	Continued	PSU, Order 230-2014.  Application continued to June hearing, email received 4/8/19.	<input type="checkbox"/>
18-2019	Kraken Oil & Gas LLC	Permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-13: all, 24: all and 28N-59E-18: all, 19: all (Gehring 24-13 LE #1H).	Continued	Overlapping TSU, Order 28-2017  Related application: 18-2019, 19-2019.  Application continued to June hearing, email received 4/8/19.	<input type="checkbox"/>
19-2019	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-13: all, 24: all and 28N-59E-18: all, 19: all (Gehring 24-13 LE #1H). Non-consent penalties requested.	Continued	Related application: 18-2019, 19-2019.  Application continued to June hearing, email received 4/8/19.	<input type="checkbox"/>
20-2019	Briscoe Petroleum, LLC	Temporary spacing unit, Amsden Formation test well, 1N-34E-28: W2NW, 29: E2NE. 330' setback. Apply for permanent spacing within 90 days of successful completion.		160 acres TSU for Amsden?	<input type="checkbox"/>
21-2019	Alta Vista Oil Corporation	Permanent spacing unit, Heath Formation, 11N-32E-34: all (Spider Monkey #1H).		Permit approved under ARM 36.22.607  Related application: 21-2019, 22-2019.	<input type="checkbox"/>
22-2019	Alta Vista Oil Corporation	Pooling, permanent spacing unit, Heath Formation, 11N-32E-34: all (Spider Monkey #1H).		Related application: 21-2019, 22-2019.	<input type="checkbox"/>
23-2019	Alta Vista Oil Corporation	Permanent spacing unit, Mowry Formation, 9S-41E-21: all (Doc Holiday #1-H).		Related application: 23-2019, 24-2019.	<input type="checkbox"/>
24-2019	Alta Vista Oil Corporation	Pooling, permanent spacing unit, Mowry Formation, 9S-41E-21: all (Doc Holiday #1-H).		Related application: 23-2019, 24-2019.	<input type="checkbox"/>

25-2019	Poplar Resources LLC	Permanent spacing unit, Tyler Formation, 29N-51E-32: NWSWSE (EPU 204). Authorize to produce at exception location of 817' FSL, 2450' FEL in Section 32. (Located in federal unit; non-paying well determination requires spacing to allocate production income.)		<input type="checkbox"/>
26-2019	True Oil LLC	Temporary spacing unit, any oil bearing formation less than 6,000' test well, 36N-3W-8: W2NWNW and E2NENW, 330 setbacks.		<input type="checkbox"/>
27-2019	True Oil LLC	Temporary spacing unit, any oil bearing formation less than 6,000' test well, 36N-3W-3: W2SWNW, 4: E2SENE, 330 setbacks.		<input type="checkbox"/>
28-2019	True Oil LLC	Temporary spacing unit, any oil bearing formation less than 6,000' test well, 36N-3W-4: W2NWNW (Lot 4), 5: E2NENE (Lot 1), 330 setbacks.		<input type="checkbox"/>
29-2019	Primary Fuels, LLC	Vacate orders 22-2007 (TSU, Interlake, 16N-54E-8: SW and 17: NW) and 47-1962 (16N-54E-8: all).	Order 47-1962 - Charles, Duperow, Stony Mountain, Interlake, and Red River Formations; 80-acre spacing units with wells to be located at C NE or SW 1/4 1/4 sections, 200' tolerance.	<input type="checkbox"/>
30-2019	Western Meadowlark Resources, LLC	Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for certain wells identified in the application from Big Snowy Resources LP to Western Meadowlark Resources, LLC, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.		<input type="checkbox"/>
31-2019	Midway Energy, LLC	Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for certain wells identified in the application from Greylock Conventional, LLC, to Midway Energy, LLC, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.		<input type="checkbox"/>
1-2019	Lonewolf Operating, LLC	Permanent spacing unit, Sawtooth Formation, 34N-21E-5: SESENW, NENESW, SWSWNE, NWNWSE (L. Neuens 7-5).	Continued TSU, Order 62-2018  Application continued to June hearing, email received 3/29/19.	<input type="checkbox"/>
2-2019	Lonewolf Operating, LLC	Permanent spacing unit, Sawtooth Formation, 34N-21E-6: Lot 4 (NWNW) (J. Pike 4-6).	Continued Drilled under statewide spacing.  Related applications, Dockets 2, 3-2019.  Application continued to June hearing, email received 3/29/19.	<input type="checkbox"/>
3-2019	Lonewolf Operating, LLC	Pooling, Permanent spacing unit, Sawtooth Formation, 34N-21E-6: Lot 4 (NWNW) (J. Pike 4-6). Non-consent penalties requested.	Continued Related applications, Dockets 2, 3-2019.  Application continued to June hearing, email received 3/29/19.	<input type="checkbox"/>



4-2019	Lonewolf Operating, LLC	Permanent spacing unit, Sawtooth Formation, 34N-21E-6: Lot 7 (SWSW) (S. Pike 13-6).	Continued	<p><i>Drilled under statewide spacing.</i></p> <p><i>Related applications, Dockets 4, 5-2019.</i></p> <p><i>Application continued to June hearing, email received 3/29/19.</i></p>	<input type="checkbox"/>
5-2019	Lonewolf Operating, LLC	Pooling, Permanent spacing unit, Sawtooth Formation, 34N-21E-6: Lot 7 (SWSW) (S. Pike 13-6). Non-consent penalties requested.	Continued	<p><i>Related applications, Dockets 4, 5-2019.</i></p> <p><i>Application continued to June hearing, email received 3/29/19.</i></p>	<input type="checkbox"/>
32-2019	A & G Oil & Gas	Show Cause: why it should not be required to P&A Normont 1 well, API # 25-101-23443, Rossmiller 3 well, API # 25-101-23440, and Mullady 11-30 well, API # 25-101-22933.		<i>From inactive well review. Lance Ballantyne present during 2016 inspections of all three wells. Well signs installed at that time.</i>	<input type="checkbox"/>
33-2019	Compass Energy, Inc.	Show Cause: why it should not be required to P&A Robert Aiken 6-24 well, API # 25-073-21260.		<p><i>Docketed @ 2/14/19 business meeting - inactive well review.</i></p> <p><i>Intents to abandon filed 2010, 2013; Ayers called 4/15/2015 and said he planned to plug the well.</i></p>	<input type="checkbox"/>
34-2019	Molen Drilling Co., Inc.	Show Cause: why it should not be required to P&A CREMER 1-23 well, API # 25-097-21003.		<i>From inactive well review.</i>	<input type="checkbox"/>
35-2019	TDW Gas Processing, LLC	Show Cause: why it should not be required to P&A Adams 3 well, API # 25-101-22726		<i>From inactive well review - Permitted injection well.</i>	<input type="checkbox"/>
36-2019	UnionTown Energy Montana LLC	Show Cause: why it should not be required to P&A Montana 1 well, API # 25-065-21879.		<i>From inactive well review.</i>	<input type="checkbox"/>
37-2019	Kykuit Resources, LLC	Show Cause: why additional penalties should not be imposed for failure to file production reports, failure to pay the \$320 administrative penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the February 14, 2019, public hearing.			<input type="checkbox"/>
38-2019	BBX Operating Co. LLC	Show Cause: failure to pay administrative fees assessed for delinquent reporting.	Dismissed	<i>Fine received: 4/5/19</i>	<input type="checkbox"/>

# **GAS FLARING**

**April 10, 2019**

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Kraken	12	8	4	8	12
Petro-Hunt	3	0	3	0	0
Totals	15	8	7	8	12

# Flaring Requests

## ***Summary***

There are 15 wells flaring over 100 MCFG per day based on current production numbers.

7 of the 15 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 8 exceptions requested at this time.

## ***Kraken***

### **Farrah 35-36 #1H – API #25-085-21978, 27N-57E-27**

1. Flaring 149 MCF/D.
2. Completed: 5/2017.
3. Estimated gas reserves: 618 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Based on location and gas production, none economical at this time.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Jill 26-25 #1H – API #25-085-21993, 27N-57E-27**

1. Flaring 183 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 332 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Used mobile refrigeration unit from October 2018 through January 2019 to capture and process gas that would have been flared. Declining production has made the MRU no longer economic.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Jill 26-25 #3H – API #25-085-21995, 27N-57E-27**

1. Flaring 141 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 336 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Used mobile refrigeration unit from October 2018 through January 2019 to capture and process gas that would have been flared. Declining production has made the MRU no longer economic.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Jill 26-25 #5H – API #25-085-21997, 27N-57E-27**

1. Flaring 290 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 329 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Used mobile refrigeration unit from October 2018 through January 2019 to capture and process gas that would have been flared. Declining production has made the MRU no longer economic.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Gehringer 24-13 LE #1H – API #25-085-21988, 28N-58E-25**

1. Flaring 180 MCF/D.
2. Completed: 11/2018.
3. Estimated gas reserves: 495 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Using mobile refrigeration unit starting February 2019 to capture and process gas that would have been flared.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Gehringer 24-13 #2H – API #25-085-21987, 28N-58E-25**

1. Flaring 186 MCF/D.
2. Completed: 11/2018.
3. Estimated gas reserves: 469 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Using mobile refrigeration unit starting February 2019 to capture and process gas that would have been flared.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

### **Gehringer 24-13 #3H – API #25-085-21990, 28N-58E-25**

1. Flaring 156 MCF/D.
2. Completed: 11/2018.
3. Estimated gas reserves: 529 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Using mobile refrigeration unit starting February 2019 to capture and process gas that would have been flared.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

## **Gehringer 24-13 #4H – API #25-085-21989, 28N-58E-25**

1. Flaring 183 MCF/D.
2. Completed: 11/2018.
3. Estimated gas reserves: 469 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Using mobile refrigeration unit starting February 2019 to capture and process gas that would have been flared.
6. Amount of gas used in lease operations: 22 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.