

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

IN THE MATTER OF GRASSY BUTTE LLC FAILURE TO
PERFORM A MECHANICAL INTEGRITY TEST ON THE
KESTERSON 5 WELL (API # 25-087-21488).

ADMINISTRATIVE ORDER 5-A-2019

Grassy Butte LLC (Grassy Butte) is the operator of the Kesterson 5 salt water disposal well, API # 25-087-21488, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34, T10N-R33E, Rosebud County.

At the June 12, 2019, business meeting, staff reported that Grassy Butte is in violation of ARM 36.22.1416, which requires injection wells to be retested for mechanical integrity no less than once each five years until the well is plugged. The Mechanical Integrity Test (MIT) is performed to demonstrate mechanical integrity of the well. Wells that fail the MIT must be immediately shut-in until either repaired, reworked, or plugged for abandonment in accordance with ARM 36.22.1414. The wells must be successfully retested for mechanical integrity before being placed in injection service.

Staff made several attempts to contact the operator.

IT IS THEREFORE ORDERED by the Board that Grassy Butte must return this well to compliance prior to the July 11, 2019, hearing application deadline. Failure to come into compliance will result in Grassy Butte being ordered to show cause at the August 15, 2019, public hearing, as to why additional penalties should not be imposed.

IT IS FURTHER ORDERED that Board staff has authority to dismiss the docket if Grassy Butte achieves compliance prior to the August 15, 2019, public hearing.

Dated this 12th day of June, 2019

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator