

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

IN THE MATTER OF SAMSON OIL AND GAS USA, INC.  
FAILURE TO PROPERLY MAINTAIN WELLSITES IN  
RICHLAND AND ROOSEVELT COUNTIES, MONTANA.

ADMINISTRATIVE ORDER 8-A-2019

Samson Oil and Gas USA, Inc. (Samson) is the operator of 42 wells in Richland, Roosevelt, and Sheridan Counties. The following wells have compliance issues that need to be addressed according to rule violations:

ARM 36.22.1104 requires the owner or operator to promptly control and clean up any leak, spill, escape, or discharge, regardless of the amount of oil, produced water, water containing more than 15,000 ppm TDS. The following wells have this compliance issue:

- Picard 11-33H
- Picard 11-34H
- Picard 24-28H
- Picard Trust 31-32H
- Yellowstone 1-19A

ARM 36.22.1105 requires solid waste associated with oil and gas exploration or production activities to be disposed of according to all applicable local, state, and federal laws and regulations. The following wells have this compliance issue:

- Obergfell 1
- Picard 11-33H
- Picard 11-34H
- Picard 24-28H
- Salsbury 1-22A
- Salsbury 1-27
- Yellowstone 1-19A

ARM 36.22.1101 requires that any fire hazard be removed from the location. All locations need vegetation control, including the following wells:

- McGinnis 1-34
- State Pass 1

On May 6, 2019, a certified letter was sent to Samson detailing the above listed compliance issues.

On May 23, 2019, a certified letter was sent to Samson with a copy of the letter emailed to Samson's chief operating officer, Mr. Mark Ulmer, that detailed the compliance issues and stated the compliance issues would be brought up at the June 12, 2019, board business meeting.

On May 26, 2019, Mr. Ulmer responded by email that he received the letters. Mr. Ulmer was told by staff to notify the Board when compliance on all the locations were met. No response has been received.

IT IS THEREFORE ORDERED by the Board that Samson must have the well locations in compliance by July 11, 2019, hearing application deadline. Failure to come into compliance by that date will result in Samson being ordered to show cause at the August 15, 2019, public hearing, as to why penalties should not be imposed for failure to remedy the field violations.

Dated this 12<sup>th</sup> day of June, 2019

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator