

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

IN THE MATTER OF THE APPLICATION OF KRAKEN OIL & GAS LLC FOR AN ORDER POOLING ALL INTERESTS IN THE PERMANENT SPACING UNIT ("PSU") COMPRISED OF ALL OF SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION THEREUNDER, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 68-2019

APPLICATION

KRAKEN OIL & GAS LLC, 9805 Katy Freeway, Suite 300, Houston, Texas 77024:

[A] Presents the following application:

1. Applicant is an interest owner and operator within the above-described tract, and its Fletch 5-8 #2H, Fletch 5-8 #3H, Fletch 5-8 #4H and Fletch 5-8 #5H wells have been successfully completed as commercial producers of oil and associated natural gas from the Bakken/Three Forks formation thereunder.
2. The captioned lands comprise a permanent spacing unit for purposes of Bakken/Three Forks formation production pursuant to Montana Board of Oil and Gas Conservation Order No. 34-2018.
3. As of the date of this application, Applicant has been unable to establish voluntary pooling of all interests within said spacing unit with respect to the Fletch 5-8 #2H, Fletch 5-8 #3H, Fletch 5-8 #4H and Fletch 5-8 #5H wells, and it is anticipated that such pooling cannot be consummated prior to the hearing on this application.
4. In the absence of voluntary pooling of all interests within the proposed permanent spacing unit, the pooling of all interests in the spacing unit for the development and operation thereof should be effectuated by an order of the Board for that purpose.

[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 pooling all interests in the spacing unit comprised of All of Sections 5 and 8, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, for production of oil and associated natural gas from the Bakken/Three Forks formation, and authorizing recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Fletch 5-8 #2H, Fletch 5-8 #3H, Fletch 5-8 #4H and Fletch 5-8 #5H wells.

DATED this 8th day of July, 2019.

KRAKEN OIL & GAS LLC

By _____

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

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JUL 11 2019

MONTANA BOARD OF OIL & GAS CONSERVATION • BILLINGS

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

IN THE MATTER OF THE APPLICATION OF LONEWOLF OPERATING, LLC FOR AN ORDER DESIGNATING THE E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 6 AND THE W $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 21 EAST, BLAINE COUNTY, AS A TEMPORARY SPACING UNIT AND AUTHORIZING THE DRILLING OF A SAWTOOTH FORMATION EXPLORATORY WELL AT A LOCATION NOT LESS THAN 330 FEET FROM THE EXTERIOR BOUNDARIES OF THE REQUESTED TEMPORARY SPACING UNIT.

APPLICATION

DOCKET NO. 69 - 2019

Lonewolf Operating, LLC ("Applicant"), P.O. Box 81026, Billings, Montana 59108, presents the following Application:

1. Applicant is the owner and operator of oil and gas leasehold interests in, to and under the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6, Township 34 North, Range 21 East, Blaine County.
2. Applicant desires to drill its LWO Firemoon 8-6-34N-21E well at an approximate location 520' FNL and 216' FEL of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6.
3. If authorized the proposed well will be drilled to an approximate depth of four thousand four hundred feet (4,400') to the Sawtooth Formation to test for the presence of oil.
4. The Sawtooth Formation underlying the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6 is presently subject to temporary spacing established by ARM 36.22.702(1, 2 & 7) which provides, in part, that ". . . no oil well with a projected depth of 6,000 feet or less shall be located closer than 330 feet to any legal subdivision line, and only one well shall be permitted to produce from the same reservoir within the same legal subdivision."
5. Based upon an approximate location 520' FNL and 216' FEL from the boundaries of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6, the proposed location is not in conformity with ARM 36.22.702(1, 2 & 7).
6. Because of both archaeological and topographical obstacles it is necessary to move from the original optimum legal location in order to satisfy the concerns of the Bureau of Land Management based upon its physical inspection of the surface of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6.
7. Because of the revised or adjusted location of Applicant's proposed exploratory well from a legal to a non-legal location, Applicant requests the E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6 and W $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5 be designated by

this board as a temporary spacing unit for said well and oil produced from the Sawtooth Formation.

8. Applicant requests authorization and approval from this Board to drill and produce the above well as an exception to ARM 36.22.702(1, 2 & 7).
9. Applicant believes the requested location for the proposed test well is necessary and appropriate in order to adequately and efficiently increase the ultimate recovery of Sawtooth Formation oil from the proposed temporary spacing unit.
10. Applicant believes the granting of the request herein will serve to protect the correlative rights of all interested parties and will be in the best interest of prevention of waste and conservation of oil.
11. The United States of America is the owner of one hundred percent (100%) of the oil, gas and other mineral estate underlying the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 6.
12. Should the proposed well be drilled and completed as a well capable of commercial production of oil Applicant will apply for an Order designating and delineating a permanent spacing unit for production of Sawtooth Formation oil therefrom.

WHEREFORE, Applicant requests the following:

1. This matter be set for hearing by this Board and notice thereof be given as required by law;
2. After hearing this matter this Board enter its Order granting and approving the request of Applicant hereof; and
3. For such other or additional relief as this Board may deem appropriate.

Dated July 9, 2019.

LEE LAW OFFICE PC

By: 

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

IN THE MATTER OF THE APPLICATION OF DENBURY ONSHORE LLC FOR AN ORDER CREATING AN OVERLAPPING TEMPORARY SPACING UNIT ("OTSU") COMPRISED OF THE S/2NE/4, E/2SW/4, SW/4SW/4, SE/4 OF SECTION 8, THE SW/4NW/4, SW/4 OF SECTION 9, AND THE N/2NE/4, SW/4NE/4, NW/4 OF SECTION 17, TOWNSHIP 10 NORTH, RANGE 58 EAST, M.P.M., FALLON COUNTY, MONTANA, AND AUTHORIZING THE DRILLING OF A DUAL LATERAL HORIZONTAL MADISON GROUP WELL THEREON AT ANY LOCATION NOT CLOSER THAN 660' TO THE PROPOSED OTSU BOUNDARIES, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 70-2019

APPLICATION

DENBURY ONSHORE LLC, 5320 Legacy Drive, Plano, Texas 75024:

[A] Presents the following application:

1. Applicant is an interest owner and operator of the captioned lands located in Fallon County, Montana.
2. Applicant desires to drill a dual lateral horizontal Madison Group well (Charles B interval) within the above-described lands; however, the optimum wellbore geometry will require the well to be completed at locations not in compliance with the setback requirements for such wells under A.R.M. 36.22.703. Consequently, Applicant requests that the MBOGC create an OTSU comprised of the S/2NE/4, E/2SW/4, SW/4SW/4, SE/4 of Section 8, the SW/4NW/4, SW/4 of Section 9, and the N/2NE/4, SW/4NE/4, NW/4 of Section 17, Township 10 North, Range 58 East, M.P.M., and authorize the drilling of a dual lateral horizontal Madison Group well thereon at any location not closer than 660' to the TSU boundaries.

[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 MBOGC enter its order (i) creating an OTSU comprised of the S/2NE/4, E/2SW/4, SW/4SW/4, SE/4 of Section 8, the SW/4NW/4, SW/4 of Section 9, and the N/2NE/4, SW/4NE/4, NW/4 of Section 17, Township 10 North, Range 58 East, M.P.M., and (ii) authorizing the drilling of a dual lateral horizontal Madison Group well thereon at any location not closer than 660' to the OTSU boundaries, and such other and further relief as the MBOGC may deem appropriate.

DATED this 9th day of July, 2019.

DENBURY ONSHORE LLC

By _____

John R. Lee, Its Attorney

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BEFORE THE BOARD OF OIL AND GAS CONSERVATION

OF THE STATE OF MONTANA

MONTANA BOARD OF OIL & GAS CONSERVATION • BILLINGS

IN THE MATTER OF THE APPLICATION OF)
CONTINENTAL RESOURCES, INC. FOR AN)
ORDER CREATING AN OVERLAPPING)
TEMPORARY SPACING UNIT CONSISTING)
OF SECTION 36, TOWNSHIP 27 NORTH,)
RANGE 53 EAST, AND SECTIONS 1, 12, 13, 24)
AND 25, TOWNSHIP 26 NORTH, RANGE 53)
EAST, RICHLAND COUNTY, AND)
AUTHORIZING THE DRILLING OF A)
HORIZONTAL BAKKEN/THREE FORKS)
FORMATION WELL THEREON AT ANY)
LOCATION NOT CLOSER THAN 200 FEET)
(HEEL AND TOE SETBACK) AND 660 FEET)
SETBACK TO THE EXTERIOR BOUNDARIES)
OF THE REQUESTED TEMPORARY SPACING)
UNIT.)
)

APPLICATION

DOCKET NO. 71-2019

CONTINENTAL RESOURCES, INC. ("Applicant"), P.O. Box 269091, Oklahoma City, Oklahoma 73126, presents the following Application:

1. Applicant is the owner of oil and gas leasehold interests in, to and under the following described lands in Richland County:

Township 27 North, Range 53 East, MPM

Section 36: All

Township 26 North, Range 53 East, MPM

Section 1: All

Section 12: All

Section 13: All

Section 24: All

Section 25: All

Containing 3,840.00 acres, more or less

2. Applicant desires to drill a Bakken/Three Forks Formation well within and upon the above lands with a total vertical depth of approximately eight thousand five hundred feet (8,500').

3. Section 36 is not currently producing oil and gas. The minerals underlying said Section are owned by the State of Montana and are currently leased.

4. Board Order No. 130-2011 designated Sections 1 and 12 described above as a permanent spacing unit for Applicant's Tolksdorf 1-1H Bakken Formation well.

5. Board Order No. 111-2013 designated Sections 13 and 24 described above as a permanent spacing unit for Applicant's Devin 1-13H Bakken Formation well.

6. Board Order No. 471-2012 designated Section 25 described above and Section 26-T26N-R53E as a permanent spacing unit for Applicant's Butterfield 1-26H Bakken Formation well.

7. ARM 36.22.703 (3) provides, in part, ". . . A horizontal well meets the location Requirements of ARM 36.22.702 if the point where the well bore first penetrates the common source of supply, the horizontal drainhole end point, and every part of the well bore lying between these points meet the minimum distance requirements from the drilling unit boundaries that would apply to a vertical well of the same projected depth, regardless of the surface location proposed."

8. ARM 36.22.703 (4) provides, in part, ". . . The operator of a horizontal well may designate an optional drilling unit, which must consist of two, three or four contiguous drilling units of the size and shape otherwise authorized for a vertical well of the same projected depth." As an exception thereto, Applicant requests the Board designate Section 36, Township 27 North, Range 53 East, and Sections 1, 12, 13, 24 and 25, Township 26 North, Range 53 East, in their entirety as the temporary spacing unit for its proposed well.

9. Applicant requests the temporary spacing Order sought hereby be based upon a surface acreage participation basis, the factor allocating participation in production proceeds being the ratio of the surface acreage of each separate tract within the above spacing unit to all acreage in said spacing unit.

10. Applicant requests the Board authorize the drilling of its proposed Bakken/Three Forks Formation well within and above the above lands at any location not closer than 200 feet (heel and toe setback) and a setback of 660 feet to the exterior boundaries from the requested temporary spacing unit.

11. In the event Applicant's Bakken/Three Forks Formation well referred to above is completed as a well capable of commercial production of oil, within ninety (90) days of such completion Applicant will file an appropriate Application with the Board requesting a permanent spacing unit for said well and Bakken/Three Forks Formation oil and associated natural gas produced therefrom.

12. Applicant believes the granting of the request herein will serve to protect the correlative rights of all interested parties and will be in the best interest of prevention of waste and conservation of Bakken/Three Forks Formation oil and natural gas produced and associated therewith.

WHEREFORE, Applicant requests the following:

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**MONTANA BOARD OF OIL &
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1. This matter be set for hearing with notice given as required by law;
2. This matter be placed on the Default Docket and if any protest is timely received the Board hear this Application on the scheduled date and consider the testimony of the Applicant's witnesses who will be present at hearing;
3. After hearing this matter the Board enter its Order granting and approving the request of Applicant herein; and
4. For such other or additional relief as the Board may deem appropriate.

Dated July 11, 2019.

CONTINENTAL RESOURCES, INC.

By: 

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