

Western Meadowlark Resources, LLC Change of Operator Review

Included:

Letter to Western Meadowlark dated September 11, 2019

Board Order 20-2019 issued at the April hearing.

Planning statement from April hearing

Western Meadowlark bonded well list

Western Meadowlark shut-in well report

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

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

September 11, 2019

Western Meadowlark Resources LLC
10114 Bridlevale Drive
Los Angeles, CA 90064

Gentlemen,

Western Meadowlark Resources LLC is scheduled to appear at the Montana Board of Oil and Gas Conservation's October 9, 2019, business meeting to discuss the reduction in plugging liability that has been achieved since the April, 2019, approval of the transfer of wells from Big Snowy Resources, LP. The meeting will begin at 2:00 p.m. at the Board's office in Billings.

At the April hearing three wells were identified that were to be plugged, along with several wells that could be returned to production. Information regarding your efforts to achieve these plans will be helpful in determining if the current plugging and reclamation bond coverage is adequate.

At the hearing you identified two wells that could not be found. It would be useful to coordinate with the Billings office to schedule a trip to the field with a Board representative to determine if these wells exist or if they should be removed from the list of bonded wells.

Staff will also be conducting an inspection prior to the October 9th meeting to evaluate compliance with the issues identified in our letter of August 23, 2019.

Sincerely,

James W. Halvorson
Administrator / Petroleum Geologist

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

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

UPON THE 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.

ORDER 20-2019

Docket No. 30-2019

Report of the Board

The above entitled cause came on regularly for hearing on April 11, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney; Scott Cooney, chairman; and Josh Cook, president of operations; appeared on behalf of Western Meadowlark Resources, LLC (Western Meadowlark).
3. The Board and its staff reviewed Western Meadowlark's pending change of operator request from Big Snowy Resources LP. Western Meadowlark is proposing to submit the equivalent bonding as the current operator. Western Meadowlark plans to budget for plugging and abandonment of 10% of their wells annually.
4. The Board determined that Western Meadowlark's proposed plugging and reclamation bond of \$50,000 to cover its multiple producing wells and \$1,500 to cover its single injection well was adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 20-2019

Order

IT IS THEREFORE ORDERED by the Board that the pending change of operator request will be approved once the bonding amount of \$50,000 for the multiple well bond and the \$1,500 for the is injection well is received.

IT IS FURTHER ORDERED that Western Meadowlark is to appear at the Board's October 9, 2019, business meeting to provide an update of actions taken to reduce its plugging liability.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of April, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist



FORWARD PLANNING

- Re-entry of all shut in wells on Mosser Dome has been budgeted over the next 20 months to either bring wells back online or plug and abandon, dependent of future utility
- Over \$30K has been budgeted in 2019 for tear down of older structures and reclamation
- Western Meadowlark Energy's goal as a prudent operator on current property and future acquisitions is to budget for plugging & abandonment of 10% of their wells annually

Plugging and Reclamation Bonds With Well List

WESTERN MEADOWLARK RESOURCES LLC		850	Bond: M1	\$50,000.00	Multiple Well Bond	Active	Wells: 47	Allowed:	
Surety Bond	Active	Philadelphia Indemnity Insurance Company		\$50,000.00		Approved		5/8/2019	
API #	Operator	Well	Location		Field	TD	PBTD	Status	
111-21209	Western Meadowlark Resources LLC	Rawhouser 1	3 S	24 E 23	NW NW NE 330N 2439E	Wildcat Yellowstone, N	730	620	SI OIL
111-21217	Western Meadowlark Resources LLC	Mosser 16	3 S	24 E 26	SW SW NE 2315N 2540E	Mosser Dome	995		SI OIL
111-21219	Western Meadowlark Resources LLC	Mosser 15	3 S	24 E 26	SW NE 1855N 2505E	Mosser Dome	994		SI OIL
111-21239	Western Meadowlark Resources LLC	West-Spaeth 1	3 S	24 E 26	NE SW 2705N 2968E	Mosser Dome	1020		SI OIL
111-21240	Western Meadowlark Resources LLC	South-Spaeth 1	3 S	24 E 26	NE SW 3362N 2790E	Mosser Dome	1025	1012	PR OIL
111-21241	Western Meadowlark Resources LLC	West-Kelly 1-B	3 S	24 E 26	SE NW 1710N 2281W	Mosser Dome	1008		SI OIL
111-21242	Western Meadowlark Resources LLC	East Mosser 1	3 S	24 E 26	SW NE 1574N 2604E	Mosser Dome	991		PR OIL
111-21243	Western Meadowlark Resources LLC	Can Am East Mosser 2	3 S	24 E 26	NW SW NE 1699N 2639E	Mosser Dome	995		SI OIL
111-21244	Western Meadowlark Resources LLC	Can Am West Kelly 5	3 S	24 E 26	SE NW 2416N 2180W	Mosser Dome	998		SI OIL
111-21245	Western Meadowlark Resources LLC	Can Am South-Spaeth 3	3 S	24 E 26	NE SW 3945N 3335E	Mosser Dome	1005		SI OIL
111-21253	Western Meadowlark Resources LLC	Kelly North Mosser 1	3 S	24 E 26	SE NE NW 697N 2326W	Mosser Dome	1012		SI OIL
111-21256	Western Meadowlark Resources LLC	West Mosser 2	3 S	24 E 26	NW SW 2755N 609W	Mosser Dome	1016	800	SI OIL
111-21257	Western Meadowlark Resources LLC	Can Am West Kelly 3	3 S	24 E 26	SE NW 2549N 2579W	Mosser Dome	1012		SI OIL
111-21265	Western Meadowlark Resources LLC	CH Mosser 18	3 S	24 E 26	NW SW NE 1656N 2491E	Mosser Dome	996		PR OIL
111-21266	Western Meadowlark Resources LLC	BBR Mosser 17	3 S	24 E 26	SW NE 1879N 2380E	Mosser Dome			SP OIL
111-21267	Western Meadowlark Resources LLC	JC Mosser 19	3 S	24 E 26	NW SW NE 1523N 2507E	Mosser Dome	997	996	SI OIL
111-21268	Western Meadowlark Resources LLC	Spaeth 11	3 S	24 E 26	NE NE SW 2934N 2891E	Mosser Dome			SP OIL
111-21269	Western Meadowlark Resources LLC	Kelly 6	3 S	24 E 26	SE SE NW 2084N 2766E	Mosser Dome			SP OIL
111-21270	Western Meadowlark Resources LLC	Kelly 7	3 S	24 E 26	NE SE NW 1743N 2805E	Mosser Dome	999		PR OIL
111-60011	Western Meadowlark Resources LLC	Kelly 3	3 S	24 E 26	NW SE NW 1650N 1650W	Mosser Dome	650		SI GAS
111-05007	Western Meadowlark Resources LLC	Alfred Spaeth 3	3 S	24 E 26	NE NE SW 2880N 3123E	Mosser Dome	1090	1029	PR OIL
111-05010	Western Meadowlark Resources LLC	Alfred Spaeth 4	3 S	24 E 26	NE NE SW 2880N 2773E	Mosser Dome	1076	1027	SI OIL
111-05012	Western Meadowlark Resources LLC	Kelly 1	3 S	24 E 26	SE SE NW 2440N 2420W	Mosser Dome	1006		SI OIL
111-05013	Western Meadowlark Resources LLC	Webber-Spaeth 2	3 S	24 E 26	NW NW SE 2420S 2420E	Mosser Dome	1023		SI OIL
111-05015	Western Meadowlark Resources LLC	Kelly 2	3 S	24 E 26	SE SE NW 1980N 2420W	Mosser Dome	1002		PR OIL
111-05018	Western Meadowlark Resources LLC	Tarrant Kelly 1	3 S	24 E 26	SE SE NW 2440N 2440W	Mosser Dome	1017		SI OIL
111-05019	Western Meadowlark Resources LLC	J. H. Mosser 2	3 S	24 E 26	SW SW NE 2420N 2310E	Mosser Dome	1027		SI OIL
111-05023	Western Meadowlark Resources LLC	Mosser 5	3 S	24 E 26	NW SW NE 1710N 2310E	Mosser Dome	994		SI OIL
111-05024	Western Meadowlark Resources LLC	Mosser 2	3 S	24 E 26	NW SW NE 1430N 2310E	Mosser Dome	992		PR OIL
111-06252	Western Meadowlark Resources LLC	J. H. Mosser 1	3 S	24 E 26	SW SW NE 2200N 2420E	Mosser Dome	1015		SI OIL
111-06253	Western Meadowlark Resources LLC	Mosser 1	3 S	24 E 26	SW NE 1985N 2410E	Mosser Dome	1069		SI OIL
111-21042	Western Meadowlark Resources LLC	Mosser 6	3 S	24 E 26	SW SW NE 2375N 2290E	Mosser Dome	1032		PR OIL
111-21053	Western Meadowlark Resources LLC	Spaeth-Mosser 7	3 S	24 E 26	NW NW SE 2135S 2445E	Mosser Dome	1026		SI OIL
111-21137	Western Meadowlark Resources LLC	Mosser 8	3 S	24 E 26	NW SW NE 1880N 2220E	Mosser Dome	1002		SI OIL
111-21139	Western Meadowlark Resources LLC	Spaeth 8	3 S	24 E 26	NW NW SE 2705N 2389E	Mosser Dome	1025		SI OIL
111-21142	Western Meadowlark Resources LLC	Kelly 3	3 S	24 E 26	NE SE NW 1475N 2745E	Mosser Dome	1010		PR OIL
111-21147	Western Meadowlark Resources LLC	Mosser 9	3 S	24 E 26	SW SW NE 2170N 2265E	Mosser Dome	1019		SI OIL
111-21150	Western Meadowlark Resources LLC	Mosser 10	3 S	24 E 26	NW SW NE 1512N 2174E	Mosser Dome	986		PR OIL

Plugging and Reclamation Bonds With Well List

111-21159	Western Meadowlark Resources LLC	Spaeth 9	3 S 24 E 26	NW NW SE 2748N 2610E	Mosser Dome	990	SI	OIL
111-21161	Western Meadowlark Resources LLC	Marie Mosser 11	3 S 24 E 26	S2 N2 2109N 2606E	Mosser Dome	970	SI	OIL
111-21165	Western Meadowlark Resources LLC	Kelly 4	3 S 24 E 26	SE SE NW 2531N 2680E	Mosser Dome	1000	SI	OIL
111-21166	Western Meadowlark Resources LLC	Mosser 12	3 S 24 E 26	NW SW NE 1692N 2190E	Mosser Dome	970	PR	OIL
111-21183	Western Meadowlark Resources LLC	Spaeth 10	3 S 24 E 26	NE NE SW 3041N 2713E	Mosser Dome	985	SI	OIL
111-21260	Western Meadowlark Resources LLC	Hart-Price 5-1	3 S 25 E 5	SW SW 330S 330W	Wildcat Yellowstone, N	1012	SI	GAS
111-21063	Western Meadowlark Resources LLC	Hart 8-7	3 S 25 E 7	W2 SE NE 1980N 990E	Wildcat Yellowstone, N	1010	SI	GAS
111-21263	Western Meadowlark Resources LLC	Barber Price 8-1	3 S 25 E 8	NW NW 330N 330W	Wildcat Yellowstone, N	988	SI	GAS
111-21055	Western Meadowlark Resources LLC	Barber 5-8	3 S 25 E 8	NE SW NW 1700N 990W	Wildcat Yellowstone, N	993	SI	GAS

Comment:

WESTERN MEADOWLARK RESOURCES LLC		850	Bond: T1	\$10,000.00	UIC Single Well Bond	Active	Wells: 1	Allowed: 1	
Surety Bond	Active	Philadelphia Indemnity Insurance Company		\$10,000.00			Approved	5/8/2019	
API #	Operator	Well	Location		Field		TD	PBTD	Status
111-05004	Western Meadowlark Resources LLC	Spaeth 1	3 S 24 E 26	C NE SW 1980S 1980W	Mosser Dome		979		IA EOR

Comment: To cover the Spaeth well, API #111-05004.

Shut-In Wells by Operator

10/7/2019

8:04:26 AM

850 A

Western Meadowlark Resources LLC

/ Well	48	20	42%
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T1	UIC Single Well Bond	\$10,000	\$10,000.00	1	0	0%
M1	Multiple Well Bond	\$50,000	\$1,063.83	47	20	43%

SI Two to Five Years	SI Five to Ten Years	SI Greater than Ten Years	Total
3	3	14	20

850/M1

Multiple Well Bond

Last Non-Zero

850 M1	25111212090000	Rawhouser 1	3S-24E-23 NW NW NE	330 FNL, 2439 FEL	-----
850 M1	25111050130000	Webber-Spaeth 2	3S-24E-26 NW NW SE	2420 FSL, 2420 FEL	12/31/2013
850 M1	25111050190000	J. H. Mosser 2	3S-24E-26 SW SW NE	2420 FNL, 2310 FEL	11/30/2015
850 M1	25111062520000	J. H. Mosser 1	3S-24E-26 SW SW NE	2200 FNL, 2420 FEL	11/30/2015
850 M1	25111210530000	Spaeth-Mosser 7	3S-24E-26 NW NW SE	2135 FSL, 2445 FEL	8/31/1989
850 M1	25111211390000	Spaeth 8	3S-24E-26 NW NW SE	2705 FNL, 2389 FEL	12/31/2010
850 M1	25111050100000	Alfred Spaeth 4	3S-24E-26 NE NE SW	2880 FNL, 2773 FEL	12/31/2010
850 M1	25111212530000	Kelly North Mosser 1	3S-24E-26 SE NE NW	697 FNL, 2326 FWL	-----
850 M1	25111600110000	Kelly 3	3S-24E-26 NW SE NW	1650 FNL, 1650 FWL	-----
850 M1	25111212560000	West Mosser 2	3S-24E-26 NW SW	2755 FNL, 609 FWL	-----
850 M1	25111212570000	Can Am West Kelly 3	3S-24E-26 SE NW	2549 FNL, 2579 FWL	-----
850 M1	25111212660000	BBR Mosser 17	3S-24E-26 SW NE	1879 FNL, 2380 FEL	-----
850 M1	25111212670000	JC Mosser 19	3S-24E-26 NW SW NE	1523 FNL, 2507 FEL	-----
850 M1	25111212680000	Spaeth 11	3S-24E-26 NE NE SW	2934 FNL, 2891 FEL	-----
850 M1	25111212690000	Kelly 6	3S-24E-26 SE SE NW	2084 FNL, 2766 FEL	-----
850 M1	25111212450000	Can Am South-Spaeth 3	3S-24E-26 NE SW	3945 FNL, 3335 FEL	1/31/2015
850 M1	25111212600000	Hart-Price 5-1	3S-25E-5 SW SW	330 FSL, 330 FWL	-----
850 M1	25111210630000	Hart 8-7	3S-25E-7 W2 SE NE	1980 FNL, 990 FEL	-----
850 M1	25111212630000	Barber Price 8-1	3S-25E-8 NW NW	330 FNL, 330 FWL	-----
850 M1	25111210550000	Barber 5-8	3S-25E-8 NE SW NW	1700 FNL, 990 FWL	-----

1 Operator(s) Included in Report



MONTANA BOARD OF OIL & GAS CONSERVATION

TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITY THROUGH CHANGE OF
OPERATOR REQUEST

[FOLLOW UP BUSINESS MEETING TO REVIEW BOND AMOUNT](#)





HISTORY OF WESTERN MEADOWLARK ENERGY

- Founded in 2018
- Sale of Mosser Dome and associated properties (Silesia Project) closed on 28-Feb
- Western Meadowlark Resources LLC DBA Western Meadowlark Energy
- Multiple Acquisitions Planned; Several Being Currently Discussed/Negotiated



WESTERN MEADOWLARK MANAGEMENT EXPERIENCE

- **Chad Brownstein – Owner/Founder**
 - Mr. Brownstein has been an active member of the resource community for 20 years having founded and financed multiple hydrocarbon and mining companies including Lilis Energy. Bloomberg Television called him a ‘shale pioneer’ for his early findings in the Colorado Niobrara Shale, financing operations in Colorado and Texas previously. Mr. Brownstein is also the Chief Executive Officer of Rocky Mountain Resources responsible for the corporate strategy and board oversight for all investments. In addition, he is the Co-Founder of the Banc of California. Previously Mr. Brownstein was a principal member of Crescent Capital Group focused on Special Situations (formerly Trust Company of the West Leveraged Finance Group). He was a Senior Advisor at Knowledge Universe Ltd., where he focused on turnaround operations and private equity investing. Prior to that, he was a Partner at ITU Ventures making venture and growth investments with a specialization in corporate strategy. While at ITU, Mr. Brownstein founded businesses and created exits for companies including Nokia, Weyerhaeuser, and AMD. He began his career at Donaldson, Lufkin & Jenrette in the Merchant and Investment Banking divisions. Mr. Brownstein is a member of the LA 2028 Olympic Exploratory Board and is a member of the Cedars Sinai Board of Governors, he attended Columbia Business School and received his B.A. from Tulane University.
- **Scott G. Cooney – Montana Board Chairman**
 - Mr. Cooney has been involved in various industrial fields over the last 40 years, starting out in Sidney working the oil rigs after high school on to building multiple companies providing niche services to the railroad industry, mining startup/closures, industrial facility demolition and reclamation. His second startup assisted in the opening of the Anaconda Mining Companies open pit in Butte by Montana Resources Inc (MRI). The image development done in 1986 is still there today. The following year, Mr. Cooney started up another company, Rocky Rail Services to integrate with the newly formed Montana Rail Link and its 900 mile footprint. By providing lading damage mitigation and analytics, innovative concept waste stream management, and emergency services system development; MRL was able to demonstrate economic efficiencies that a 100 year old industry had not yet achieved. His third vertical integrated company, Industrial Salvage & Demolition performed industrial plant deconstruction and reclamation on a national basis. Company culture, structure and visionary development are key assets of Mr. Cooney’s entrepreneurial insight. He was the managing member of The Montana Improvement Company which was purposed for the development of a community on the banks of the Blackfoot River. This innovative green community was designed with vertical integration of all services and needs from bio-mass power generation, waste digesters, water supply and preservation, food supply, medical treatment, diverse economic engines, educational fulfillment along with a national historical component. He brings years of experience in real estate management, entitlement processes, leasing design and negotiation, conceptual higher use valuations, adaptive reuse, environmental remediation and program compliance. Mr. Cooney’s education continues on a daily basis living by the motto “I learn more every day how little I really know”.



WESTERN MEADOWLARK MANAGEMENT EXPERIENCE

- **Josh Cook – Contract Engineer**
 - Mr. Cook has over 20 years in the oil & gas business, starting his career with Baker Hughes where he spent 10 years – starting in the field and offshore and working his way up to North American Region Engineering Manager. While living in Houston, Texas at the time; he accepted a position with ConocoPhillips where he worked as a Staff Deepwater Completions Engineer and eventually Engineering Supervisor over both Deepwater Gulf of Mexico and Eagle Ford. In 2013, Mr. Cook returned to Montana for SM Energy as their Rocky Mountains Completions Manager. Upon SM Energy's office closure in Billings, he opted to stay in Montana, starting his own consulting company, while also evaluating undercapitalized, conventional assets in Montana with the intent of creating a small, independent oil company. Mr. Cook graduated from Montana Tech in 1997 with a B.S. in Petroleum Engineering.
- **Jen Scott, CPA – Contract Controller**
 - Mr. Scott provides CFO advisory and contract services and has been active in private equity investments for 15 years. Previously, he served as the Chief Financial Officer of an SEC-registered real estate fund sponsored by Black Creek Group from 2009 through April of 2018. During his tenure as CFO, Mr. Scott was a member of the Investment Committee that oversaw ~\$6.3 billion of investment activity covering over 120 real estate investments and over 30 debt investments. He oversaw all financial matters of the fund which raised gross equity proceeds of \$2.7 billion. During this time he led the design and oversaw the negotiations and execution of \$3.5 billion dollar financing and hedging strategies. In 2012, Mr. Scott led the effort to restructure the fund from a finite-life, fixed-priced fund to a perpetual-life fund that re-prices the value of its stock daily based upon third party appraised values. Today this innovative structure is considered the gold standard within the industry. Mr. Scott served as the Chairman of the fund's Valuation Committee responsible for overseeing the fund's valuation activities. He started his career in 2000 with Arthur Andersen and graduated cum laude from the University of Wyoming with a Bachelor's Degree in Accounting.
- **John Patteson – General Counsel**
 - Mr. Patteson has practiced law for over 25 years and is currently located in Denver, Colorado. He has served as both outside counsel and in-house counsel for oil and gas companies. His experience includes advising and assisting private clients with acquisitions and divestitures of E&P assets and negotiation of various contracts related to the industry. As General Counsel for Ciris Energy, Inc. in Denver, Mr. Patteson also managed and directed the land department with a 28,000 acre land position in the Powder River Basin (Wyoming) containing over 200 operating gas wells. He was a leader of the Ciris international expansion team and was responsible for domestic leasing efforts. He also directed a partial filed abandonment project which included plugging and abandoning over 60 gas wells, as well as the accompanying reclamation efforts. Mr. Patteson has represented oil and gas companies before various governmental commissions and agencies. He has also managed a private investment partnership set up to acquire non-operated working interests drilling projects. Mr. Patteson also has experience in the midstream arena, serving as General Counsel for First River Energy, Inc. in Denver, Colorado.



SURETY BOND



April 9, 2019

Montana Board of Oil & Gas Conservation
2535 St. Johns Ave.
Billings, MT 59102

Re: Western Meadowlark Resources LLC

To Whom it May Concern:

Please note that we are the surety broker for Western Meadowlark Resources, LLC and are in the process of securing a \$50,000 blanket well bond and a \$1,500 injection well bond for them through Indent's U.S. Specialty Insurance Company.

We are currently finalizing paperwork and terms and conditions and should have this wrapped up for them within the week.

In the meantime, if you have any questions or if you require any additional information from us in regards to us facilitating the bond requirement for Western Meadowlark Resources LLC, please don't hesitate to contact me at 720-550-4409.

Sincerely,

Alliant Insurance Services, Inc.


Angela M. Tindol
Account Manager - Lead

Cc: Western Meadowlark Resources LLC

- Blanket bond to cover 47 wells on Form No. 20, Exhibit "A"
- UIC bond to cover Spaeth 1 water injection well
 - Both Bonds have been obtained



SUMMARY OF WELLS

- Rawhouser 1 well – have not yet been to well location'
 - Actually Mosser 1 - well has now been located
 - Can Am West Kelly 3 well has been located, cannot locate Can Am West Kelly 5 – believed not to exist
 - Working with Ben Jones and John Gizicki to confirm well locations
- Mosser Dome
 - 23 wells with pump jack, visually assume ability to produce
 - Diligent work to bring wells online and to increase production
 - 19 wells visually shut in (two of which have yet to be physically located)
 - Issues with purchased workover rig delayed re-entry effort
 - Re-entry efforts have not commenced
 - Working with Ben Jones and John Gizicki to confirm well locations
 - 1 injection well
- Price Dome – 4 x gas wells



UPON VISUAL INSPECTION - ABLE TO

WELL NAME	7-MO MAX (BO/M)	7-MO AVG (BO/M)	STATUS
Mosser 15	35	27	
Alfred Spaeth 3	5	2	
Webber-Spaeth 2	0	0	Inactive (has not produced oil or gas for two years prior)
Kelly 2	20	7	
Tarrant Kelly 1	18	7	
J.H. Mosser 2	0	0	Inactive (has not produced oil or gas for two years prior)
Mosser 5	42	27	Underground line leak sealed
Mosser 2	36	27	
J.H. Mosser 1	0	0	Alleged downhole problems, workover may be required (inactive)
Mosser 6	38	26	Signage incorrect
Mosser 8	35	25	
Kelly 3	12	5	
Mosser 9	40	27	Signage incorrect
Mosser 10	45	9	
Kelly 4	0	0	Inactive (has not produced oil or gas for two years prior)
Mosser 12	38	24	
South-Spaeth 1	20	3	
West-Kelly 1-B	30	16	
East Mosser 1	35	25	
CH Mosser 18	35	24	
Kelly 7	4	2	
Can Am East Mosser 2	0	0	Inactive (has not produced oil or gas for two years prior)
Can Am West Kelly 5	5	3	(cannot locate well - believed to Can Am West Kelly 3)
TOTAL - 23 WELLS	493	286	



WELLS SHUT IN

WELL NAME	7-MO MAX (BO/M)	7-MO AVG (BO/M)	STATUS
Mosser 16	36	24	Polish rod broke, workover required
Alfred Spaeth 4	0	0	No pump jack (inactive)
Kelly 1	0	0	No pump jack
Mosser 1	32	27	Cannot physically locate well (well has been located)
Spaeth-Mosser 7	0	0	No pump jack (inactive)
Spaeth 8	0	0	No pump jack (inactive)
Spaeth 9	3	0	No pump jack
Marie Mosser 11	40	22	Drilling rig over well since 2014, status unknown
Spaeth 10	10	0	No pump jack
West-Spaeth 1	42	11	No pump jack
Can Am South-Spaeth 3	0	0	Swab rig over well, hung off below WH (inactive)
Kelly North Mosser 1	0	0	No pump jack (inactive)
West Mosser 2	0	0	No pump jack (inactive)
Can Am West Kelly 3	0	3	Cannot physically locate well (inactive) (well has possibly been located)
BBR Mosser 17	0	0	Casing stub (inactive) - consider plugging (plan to plug - Sundry submitted)
JC Mosser 19	0	0	No pump jack (inactive)
Spaeth 11	0	0	Casing stub (inactive) - consider plugging (plan to plug - Sundry submitted)
Kelly 6	0	0	Casing stub (inactive) - consider plugging (plan to plug - Sundry submitted)
Kelly 3 (Gas)	0	0	No pump jack (inactive)
TOTAL - 19 WELLS	163	87	



FORWARD PLANNING

- Re-entry of all shut in wells on Mosser Dome has been budgeted over the next 20 months to either bring wells back online or plug and abandon, dependent of future utility
 - Re-entry and evaluation of wells is now underway
- Over \$30K has been budgeted in 2019 for tear down of older structures and reclamation
 - Removal of unused tank batteries planned
 - Reviewing bids for removal
- Western Meadowlark Energy's goal as a prudent operator on current property and future acquisitions is to budget for plugging & abandonment of 10% of their wells annually
 - Sundries submitted to P&A 3 wells
 - New acquisitions are being negotiated
 - Company is well capitalized
 - Plan to be premiere operator in Montana

Midway Energy, LLC Change of Operator Review

Included:

Letter to Midway Energy dated September 11, 2019

Board Order 21-2019 issued at the April hearing

Midway Energy bonded well list

Midway Energy shut-in well report

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

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

September 11, 2019

Midway Energy, LLC
PO Box 250
Thermopolis, WY 82443

Gentlemen,

Midway Energy, LLC is scheduled to appear at the Montana Board of Oil and Gas Conservation's October 9, 2019, business meeting to discuss the reduction in plugging liability that has been achieved since the April, 2019, approval of the transfer of wells from Greylock Conventional, LLC. The meeting will begin at 2:00 p.m. at the Board's office in Billings.

At the April hearing you proposed to return several wells to production and to evaluate the Hunt Creek 1-H well to determine if it should be plugged. This well was completed as a dry hole by a prior company but remains unplugged.

Information regarding your efforts to achieve these plans will be helpful in determining if the current plugging and reclamation bond coverage is adequate.

Staff will also be conducting an inspection of the wells prior to the October 9th meeting to confirm that all wells are in compliance with Board rules.

Sincerely,

James W. Halvorson
Administrator / Petroleum Geologist

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

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

UPON THE 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.

ORDER 21-2019

Docket No. 31-2019

Report of the Board

The above entitled cause came on regularly for hearing on April 11, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Colby Branch, attorney, and Colin Moody, geologist and managing member, appeared on behalf of Midway Energy, LLC (Midway).
3. The Board and its staff reviewed Midway's pending change of operator request from Greylock Conventional, LLC. Midway submitted the equivalent bonding as the current operator. Midway plans to reduce its plugging liability, but it needs time to review its well files prior to deciding which wells need to be plugged.
4. The Board determined that Midway's proposed plugging and reclamation bond of \$50,000 to cover its multiple producing wells and \$20,000 to cover its two injection wells was adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Order

IT IS THEREFORE ORDERED by the Board that the pending change of operator request will be approved.

IT IS FURTHER ORDERED that Midway is to appear at the Board's October 9, 2019, business meeting to provide an update of actions taken to reduce plugging liability.

BOARD ORDER NO. 21-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of April, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

Plugging and Reclamation Bonds With Well List

MIDWAY ENERGY, LLC		849	Bond: M1	\$50,000.00	Multiple Well Bond	Active	Wells: 10	Approved	Allowed: 4/8/2019	
Certificate of Deposit		Active	FIRST INTERSTATE BANK	\$50,000.00						
API #	Operator	Well	Location			Field	TD	PBTD	Status	
065-21091	Midway Energy, LLC	Burlington Northern 4-3	10 N	28 E	3 SW SW SE	340S 2310E	Willow Creek, North	4103	4070	C WS
095-21141	Midway Energy, LLC	Bar B 1	5 S	16 E	12 NW SE SE	707S 1158E	Dean Dome	2820	2520	SI OIL
095-21170	Midway Energy, LLC	Rickman 1	5 S	16 E	13 NW NE NW	602N 1936W	Dean Dome	2505	2430	SI GAS
095-05010	Midway Energy, LLC	Tyler Orr 2	5 S	17 E	17 SW SW	505S 815W	Dean Dome	2708	2319	SI GAS
095-05012	Midway Energy, LLC	J. Orr 1	5 S	17 E	18 SW NW SE	1650S 2310E	Dean Dome	3970	2304	SI GAS
095-05015	Midway Energy, LLC	Kennedy-Bahr 1	5 S	17 E	18 NW SW	1905S 669W	Dean Dome	1008		SI GAS
009-21297	Midway Energy, LLC	ECA Foothills 1-H	6 S	17 E	13 NW SW	1484S 613W	Wildcat Carbon	4933		SI OIL
009-21299	Midway Energy, LLC	ECA Foothills 2-H	6 S	17 E	13 NW SW	1489S 586W	Wildcat Carbon	5766		SI OIL
095-21283	Midway Energy, LLC	ECA Foothills 9-H	6 S	17 E	14 SE SE	39S 1233E	Wildcat Stillwater	6222		SI OIL
009-21301	Midway Energy, LLC	Hunt Creek 1-H	8 S	23 E	7 SW SW	741S 805W	Wildcat Carbon	8830	6076	TA DH

Comment:

MIDWAY ENERGY, LLC		849	Bond: T1	\$10,000.00	UIC Single Well Bond	Active	Wells: 1	Approved	Allowed: 4/8/2019	
Certificate of Deposit		Active	FIRST INTERSTATE BANK	\$10,000.00						
API #	Operator	Well	Location			Field	TD	PBTD	Status	
095-21150	Midway Energy, LLC	Keller 3	5 S	17 E	17 NW NW SW	2310S 330W	Dean Dome	2700	2570	TA EOR

Comment: To cover Keller 3 well, API # 095-21150.

MIDWAY ENERGY, LLC		849	Bond: T2	\$10,000.00	UIC Single Well Bond	Active	Wells: 1	Approved	Allowed: 4/8/2019	
Certificate of Deposit		Active	FIRST INTERSTATE BANK	\$10,000.00						
API #	Operator	Well	Location			Field	TD	PBTD	Status	
009-21300	Midway Energy, LLC	ECA Foothills 6D	6 S	17 E	24 SW NW	2138N 510W	Wildcat Carbon	6380	5500	IA SWD

Comment: To cover Foothills 6D well, API # 009-21300.

MIDWAY ENERGY, LLC		849	Bond: F1		Federal	Active Federal	Wells: 3	Approved	Allowed: 4/17/2019	
API #	Operator	Well	Location			Field	TD	PBTD	Status	
095-21275	Midway Energy, LLC	ECA Federal 1-H	6 S	17 E	14 NW SE	1574S 1631E	Wildcat Stillwater	6178		PR OIL
095-21279	Midway Energy, LLC	ECA Federal 2-H	6 S	17 E	14 NW SE	1645S 1606E	Wildcat Stillwater	7214		PR OIL
095-21280	Midway Energy, LLC	ECA Federal 3-H	6 S	17 E	14 SW SE	268S 2469E	Wildcat Stillwater	6083		SI OIL

Shut-In Wells by Operator

10/7/2019
8:03:16 AM

849 A

Wells SI %

Midway Energy, LLC

/ Well	15	13	87%
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T2	UIC Single Well Bond	\$10,000	\$10,000.00	1	1	100%
T1	UIC Single Well Bond	\$10,000	\$10,000.00	1	1	100%
M1	Multiple Well Bond	\$50,000	\$5,000.00	10	10	100%
F1	Federal			3	1	33%

SI Two to Five Years	SI Five to Ten Years	SI Greater than Ten Years	Total
4	1	8	13

849/F1	Federal		<i>Last Non-Zero</i>
849 F1	25095212800000 ECA Federal 3-H	6S-17E-14 SW SE	268 FSL, 2469 FEL 5/31/2013
849/M1	Multiple Well Bond		<i>Last Non-Zero</i>
849 M1	25065210910000 Burlington Northern 4-3	10N-28E-3 SW SW SE	340 FSL, 2310 FEL -----
849 M1	25095211410000 Bar B 1	5S-16E-12 NW SE SE	707 FSL, 1158 FEL 4/30/1986
849 M1	25095211700000 Rickman 1	5S-16E-13 NW NE NW	602 FNL, 1936 FWL -----
849 M1	25095050100000 Tyler Orr 2	5S-17E-17 SW SW	505 FSL, 815 FWL 8/31/2008
849 M1	25095050150000 Kennedy-Bahr 1	5S-17E-18 NW SW	1905 FSL, 669 FWL -----
849 M1	25095050120000 J. Orr 1	5S-17E-18 SW NW SE	1650 FSL, 2310 FEL 8/31/2008
849 M1	25009212990000 ECA Foothills 2-H	6S-17E-13 NW SW	1489 FSL, 586 FWL 3/31/2015
849 M1	25009212970000 ECA Foothills 1-H	6S-17E-13 NW SW	1484 FSL, 613 FWL 11/30/2014
849 M1	25095212830000 ECA Foothills 9-H	6S-17E-14 SE SE	39 FSL, 1233 FEL 3/31/2015
849 M1	25009213010000 Hunt Creek 1-H	8S-23E-7 SW SW	741 FSL, 805 FWL -----
849/T1	UIC Single Well Bond		<i>Last Non-Zero</i>
849 T1	25095211500000 Keller 3	5S-17E-17 NW NW SW	2310 FSL, 330 FWL 4/30/1989
849/T2	UIC Single Well Bond		<i>Last Non-Zero</i>
849 T2	25009213000000 ECA Foothills 6D	6S-17E-24 SW NW	2138 FNL, 510 FWL 2/29/2016

1 Operator(s) Included in Report

**MONTANA BOARD OF OIL AND GAS CONSERVATION
FINANCIAL STATEMENT
As of 10/2/19
Fiscal Year 2020: Percent of Year Elapsed - 26%**

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,263,751	231,158	1,032,593	18.3
UIC	Personal Services	277,410	54,191	223,219	19.5
	Total Expended	1,541,161	285,349	1,255,812	18.5
Regulatory	Equipment & Assets	46,371	-	46,371	0.0
UIC	Equipment & Assets	10,179	-	10,179	0.0
	Total Expended	56,550	-	56,550	0.0
Regulatory	Operating Expenses:				
	Contracted Services	135,211	31,046	104,165	23.0
	Supplies & Materials	54,903	11,521	43,382	21.0
	Communication	77,777	6,750	71,027	8.7
	Travel	34,276	2,451	31,825	7.2
	Rent	29,602	5,458	24,144	18.4
	Utilities	19,762	2,212	17,550	11.2
	Repair/Maintenance	33,292	4,090	29,202	12.3
	Other Expenses	25,092	9,246	15,846	36.8
	Total Operating Expenses	409,915	72,774	337,141	17.8
UIC	Operating Expenses:				
	Contracted Services	29,679	6,710	22,969	22.6
	Supplies & Materials	12,052	2,488	9,564	20.6
	Communication	17,114	1,555	15,559	9.1
	Travel	7,524	2,827	4,697	37.6
	Rent	6,498	1,198	5,300	18.4
	Utilities	4,338	485	3,853	11.2
	Repair/Maintenance	7,308	898	6,410	12.3
	Other Expenses	5,508	1,804	3,704	32.7
	Total Operating Expenses	90,021	17,965	72,056	20.0
	Total Expended	499,936	90,739	409,197	18.2

	Budget	Expends	Remaining	%
Carryforward FY18				
Personal Services	40,472	-	40,472	0.0
Operating Expenses	40,471	-	40,471	0.0
Equipment & Assets	30,000	-	30,000	0.0
Total	110,943	-	110,943	0.0

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2020 Total Budget	2020 Total Expends	%
State Special	1,720,037	303,932	377,610	72,156	2,097,647	376,087	17.9
Federal 2019 UIC (10-1-2018 to 9-30-2019)			107,000	107,000	107,000	107,000	100.0
Federal 2020 UIC (10-1-2019 to 9-30-2020)	-	-	-	-	-	-	0.0
Total	1,720,037	303,932	484,610	179,156	2,204,647	483,087	21.9

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT

	FY 20	FY 19
Oil & Gas Production Tax	\$ -	\$ 2,851,390
Oil Production Tax	-	2,636,396
Gas Production Tax	-	214,993
Drilling Permit Fees	3,000	13,375
UIC Permit Fees	-	241,300
Interest on Investments	9,259	41,955
Copies of Documents	64	526
Miscellaneous Reimbursements	-	15,200
TOTAL	\$ 12,323	\$ 3,163,745

REVENUE INTO GENERAL FUND FROM FINES

	FY 20
HAWLEY OIL LLP	7/12/2019 250
QUINQUE OIL	7/12/2019 80
KNAUP HARRY AND LUCILLE	7/19/2019 70
HOFLAND JAMES D / J H OIL COMPANY	8/9/2019 180
DRAWINGS LLC	8/19/2019 1,160
GREAT PLAINS ENERGY INC	8/19/2019 70
BAD WATER DISPOSAL, LLP	9/12/2019 70
BENSUN ENERGY	8/22/2019 1,000
TOTAL	\$ 2,880

REVENUE INTO DAMAGE MITIGATION ACCOUNT

	FY 20	FY 19
RIT Investment Earnings:	\$ 34,821	\$ -
July	-	-
August	61	-
September	34,760	-
October	-	-
November	-	-
December	-	-
January	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
Bond Forfeitures:	-	80,310
Interest on Investments	1,310	9,337
TOTAL	\$ 36,131	\$ 89,647

INVESTMENT ACCOUNT BALANCES

Regulatory Account	\$ 3,823,461
Damage Mitigation Account	\$ 478,345

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	12/31/2019
Alturas Plug, Abandon, and Reclaim Wells	249,677	-	\$ 249,677	Under Contract	6/30/2021
TOTAL	\$ 426,177	\$ 155,704	\$ 270,473		

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	\$ 717,168	\$ 146,737	Under Contract	12/31/2019
Agency Legal Services 2020	70,000	4,265	65,735	Under Contract	6/30/2020
COR Enterprises - Billings Janitorial	30,000	5,134	24,866	Under Contract	6/30/2020
Production and Injection Form Data Entry	66,000	46,544	19,456	Under Contract	2/28/2020
TOTAL	\$ 1,029,905	\$ 773,111	\$ 256,794		

**Agency Legal Services
Expenditures in FY19**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 4,265

Plugging and Reclamation Program Update, 10/9/2019

Current Contracts

Native American Energy Group	Beery 2 Beery 22-24	Wells plugged
Alturas Energy LLC	Carlsen-Lyche 21-41 Carlsen-Lyche 22-12 Andrew Petersen 28-1	Abandonment to begin 10/21/2019

Program funding complexities

(See following page.)

Request plugging authority for:

K2 America Corporation CBSU 15-15, API # 25-035-21167
Well leaking from packing on tubing head with free oil pooling around wellhead and into adjoining farm fields.

Wind River Hydrocarbons, Inc. Cornwell 1-14, API # 25-105-21573
Fresh water leaking from casing valve.

(Well ranking sheet attached.)

02010 Oil & Gas Damage Mitigation

RIT			Bond Forfeitures				
Fiscal Year	Month	Revenues	Fiscal Year	Month	Date	Revenues	Operator
2015 Bienium							
End Balance	7/1/2015	473,774.90					
2016	JULY	-	2016	NOVEMBER	11/13/2015	15,000.00	Cavalier Petroleum
	AUGUST	-		DECEMBER	12/28/2015	50,000.00	Coastal Petroleum Company
	SEPTEMBER	49,109.83		MARCH	3/3/2016	50,000.00	Alturas Energy
	OCTOBER	40,670.36		MARCH	3/7/2016	20,000.00	Custom Carbon Processing Inc.
	NOVEMBER	37,752.55		MARCH	3/7/2016	30,000.00	Kelly Oil & Gas Inc.
	DECEMBER	49,344.17		APRIL	4/29/2016	50,000.00	Kelly Oil & Gas Inc.
	JANUARY	37,051.96		MAY	5/6/2016	10,000.00	Cavalier Petroleum
	FEBRUARY	37,189.34		MAY	5/6/2016	9,904.48	Miocene Oil & Gas
	MARCH	47,948.91		TOTAL		234,904.48	
	APRIL	35,270.80					
	MAY	36,481.66					
	JUNE	47,816.21					
	JUNE	35,839.20					
	JUNE	36,197.12					
	TOTAL	490,672.11					
2017	JULY	-	2017	FEBRUARY	2/10/2017	5,000.00	McMinn Operating Company
	AUGUST	40,562.31		FEBRUARY	2/13/2017	10,000.00	Stratex Oil & Gas Inc.
	SEPTEMBER	30,389.39		TOTAL		15,000.00	
	OCTOBER	31,381.92					
	NOVEMBER	(102,333.62)					
	TOTAL	0.00					
	82-11-161, MCA 2(b)	1,000,000.00					
	2015 Bienium End Balance	473,774.90					
	Anticipated RIT Deposit Amount	526,225.10					
	Actual FY16/17 RIT Deposit	490,672.11					
	Difference	35,552.99					
2017 Bienium							
End Balance	6/30/2017	824,338.72					
2018	JULY	-	2018	AUGUST	8/22/2017	50,381.26	Montana Oil Field Acquisition I, LLC
	AUGUST	12,530.74		AUGUST	8/25/2017	50,000.00	Mountain Pacific General, Inc.
	SEPTEMBER	9,946.53		AUGUST	8/28/2017	10,000.00	Augusta Exploration, LLC
	OCTOBER	10,149.46		DECEMBER	12/26/2017	25,000.00	K2 America Corp.
	NOVEMBER	12,509.22		DECEMBER	12/26/2017	25,000.00	K2 America Corp.
	DECEMBER	10,203.21		JUNE	6/6/2018	50,000.00	Stealth Energy USA Inc.
	JANUARY	10,391.52		TOTAL		210,381.26	
	FEBRUARY	11,739.97					
	MARCH	9,234.10					
	APRIL	11,055.21					
	MAY	11,940.16					
	JUNE	21,304.71					
	TOTAL	131,004.83					
2019	*no deposits this year		2019	JANUARY	1/8/2019	10,022.39	Wind River Hydrocarbons, Inc.
	82-11-161, MCA 2(b)	1,000,000.00		APRIL	4/5/2019	60,287.16	Hinto Energy Inc
	2017 Bienium End Balance	824,338.72		JUNE	6/28/2019	10,000.00	Proghorn Petroleum
	Anticipated RIT Deposit Amount	175,661.28		TOTAL		80,309.55	
	Actual FY18/19 RIT Deposit	131,004.83					
	Difference	44,656.45					
2019 Bienium							
End Balance	6/30/2019	444,193.55					
2020	JULY	-	2020				
	AUGUST	60.88					
	SEPTEMBER	34,760.45					
	OCTOBER	-					
	NOVEMBER	-					
	DECEMBER	-					
	JANUARY	-					
	FEBRUARY	-					
	MARCH	-					
	APRIL	-					
	MAY	-					
	JUNE	-					
	TOTAL	34,821.33					
	82-11-161, MCA 2(b)	1,000,000.00					
	2019 Bienium End Balance	444,193.55					
	Anticipated RIT Deposit Amount	555,806.45					

Wells Requiring Plugging or Restoration, by Ranking

API #	Company	Well	Location				Ranking	Required	Board Approval
069-06567	Bannettin, J.C.	MITCHELL 3-A	15 N	30 E	21	SW SW NE	14	PR	<input type="checkbox"/>
065-05288	Kelly Oil and Gas LLC	State E-2	11 N	30 E	36		11	PR	<input checked="" type="checkbox"/>
105-21573	Wind River Hydrocarbons, Inc.	Cornwell 1-14	30 N	38 E	14	SW NE	11	PR	<input type="checkbox"/>
055-05097	Native American Energy Group, Inc.	Beery 22-24	23 N	49 E	24	C SE NW	8	PR	<input checked="" type="checkbox"/>
083-21346	Alturas Energy LLC	Carlsen-Lyche 22-12	23 N	59 E	22	SW NW	8	PR	<input checked="" type="checkbox"/>
073-05347	Montana Oil Field Acquisition I, LLC	Montana A 2	28 N	5 W	36	NE SE SW	8	PR	<input checked="" type="checkbox"/>
035-21167	K2 America Corporation	CBSU 15-15	32 N	6 W	15	E2 SW SE	8	PR	<input type="checkbox"/>
095-21211	Mountain Pacific General Inc.	Lutgen 1-34	1 N	21 E	34	NE NE	7	PR	<input checked="" type="checkbox"/>
065-21073	Kelly Oil and Gas LLC	WSW #1	11 N	30 E	36	SE NW SE	7	PR	<input checked="" type="checkbox"/>
021-06236	Eastern Montana Oil & Gas Co.	Mont-Dak 11 (210)	14 N	55 E	20	NE NE	7	PR	<input checked="" type="checkbox"/>
083-21506	Alturas Energy LLC	Bass-Marker 20-33	22 N	59 E	20	C SE SE	7	PR	<input checked="" type="checkbox"/>
083-21294	Alturas Energy LLC	Scheetz 21-1	22 N	59 E	21	SW SE SW	7	PR	<input checked="" type="checkbox"/>
083-21350	Alturas Energy LLC	Andrew Petersen 28-1	22 N	59 E	28	W2 NW	7	PR	<input checked="" type="checkbox"/>
083-21769	Alturas Energy LLC	Degn 29-44	22 N	59 E	29	NE NE	7	PR	<input checked="" type="checkbox"/>
083-21292	Alturas Energy LLC	Carlsen-Lyche 21-41	23 N	59 E	21	NE NE	7	PR	<input checked="" type="checkbox"/>
101-23887	Mountain Pacific General Inc.	Tiber 30-2-7-16	30 N	2 E	7	SE SE	7	PR	<input type="checkbox"/>
025-21257	Pronghorn Petroleum Joint Venture	Halmans-Federal 1-26	9 N	59 E	26	NE SW	6	PR	<input type="checkbox"/>
055-21124	Native American Energy Group, Inc.	Beery 2	23 N	49 E	24	S2 NE NE	6	PR	<input checked="" type="checkbox"/>
101-21818	Moccasin Trails Farm, Inc.	Benjamin No. 1	31 N	2 E	21	SW NE SW	6	PR	<input type="checkbox"/>
101-23737	Mountain Pacific General Inc.	Robertson 2-35	31 N	2 E	35	SE SW	6	PR	<input type="checkbox"/>
101-23178	Mountain Pacific General Inc.	Flagge 1-5	31 N	3 E	5	NE SW NE	6	PR	<input type="checkbox"/>
101-23264	Mountain Pacific General Inc.	State 1-32	32 N	3 E	32	SE SW	6	PR	<input type="checkbox"/>
041-22360	Mountain Pacific General Inc.	MORSE FLB 1	33 N	14 E	1	SW NE NE	6	PR	<input type="checkbox"/>
073-05343	Montana Oil Field Acquisition I, LLC	Montana A 4	28 N	5 W	36	NE SE SE	6	PR	<input type="checkbox"/>
073-21836	McMinn Operating Company	Ryan Ranch LLC 1	30 N	6 W	30	SE SE	6	PR	<input type="checkbox"/>
035-22023	K2 America Corporation	Palmer Bow Island 1-4	32 N	6 W	1	NW	6	PR	<input type="checkbox"/>
035-21157	K2 America Corporation	CBSU 10-11	32 N	6 W	10	C NE SW	6	PR	<input type="checkbox"/>
069-21051	Alpha Petroleum Corp. & James C. Lar	ARB 1	13 N	28 E	26	C NE NE	5	PR	<input type="checkbox"/>
083-21378	Mountain Pacific General Inc.	Pruet-BNRR 29-1	24 N	54 E	29	SE NW NE	5	PR	<input type="checkbox"/>

API #: 25 - 105 - 21573

Inspection Report

Date: 12 / 12 / 2018

Montana Board of Oil and Gas Conservation

UIC: Oil / Gas / Other:

01/2014

Exception / Violation: Yes:

Inspector: SCHMIDT

Date Operator Notified: _____

Arrival Time: 10:30 am/pm

Date Remedy Required: _____

Operator Representative(s): _____

Others Present: SURFACE OWNER AUDRA CORNWELL

Well Name: CORNWELL 1-14 Q: SW NE Sec.: 14 Township: 30N Range: 38E

Operator: WIND REVER HYDROCARBON INC Field: W/R EAST VALLEY

Latitude / Longitude, NAD83 decimal degrees (if taken): _____

Failed Items or Violation Description:

Inspection Type

- Routine / Periodic Pre-drill / Well Permitting
- Change of Operator Pre-regulatory / Orphan
- Complaint Response Remediation / Restoration
- Compliance Verification Plugging Witnessed
- Construction SRA / Expiration
- Drilling / Service Rig Seismic Inspection
- Emergency Response _____
- Pit Inspection

Class II UIC Wells

Injecting: Tubing Pressure: _____ PSI
 Not Injecting: Annulus Pressure: _____ PSI

Non-UIC Wells

Oil Well: Producing:
 Gas Well: Shut-In TA:
 Other: _____ Abandoned:

Comments / Description

Picture:

WELL HEAD TUBING? FRESH WATER LEAKING OUT OF CASING VALVES
4 ANCHORS
3' BY 4' METAL CULVERT (CELLAR RING)
3- 5GAL PASTIC PAILS - 3 WOODEN PALLET
VEGETATION ON LOCATION (GRASS)

RECEIVED

DEC 18 2018

MONTANA BOARD OF OIL & GAS CONSERVATION • BILLINGS

JLP

Inspection Report

Montana Board of Oil and Gas Conservation

01/2014

RECEIVED

SEP 16 2019

API #: 25 - 035 - 21167

Date: 9 / 11 / 2019

UIC: Oil Gas / Other:

Exception / Violation: Yes:

Inspector: John Brown

MONTANA BOARD OF OIL & GAS CONSERVATION - BILLINGS
Date Operator Notified: _____

Arrival Time: 10:00 am pm

Date Remedy Required: _____

Operator Representative(s): NONE

Others Present: —

Well Name: CBSU 15-15 Q: E/2 SW/SE Sec.: 15 Township: 32N Range: 6W

Operator: MBOGC (K2 America) Field: CUT BANK

Latitude / Longitude, NAD83 decimal degrees (if taken): —

Failed Items or Violation Description:

Inspection Type

- | | | | |
|---------------------------|-------------------------------------|------------------------------|-------------------------------------|
| Routine / <u>Periodic</u> | <input checked="" type="checkbox"/> | Pre-drill / Well Permitting | <input type="checkbox"/> |
| Change of Operator | <input type="checkbox"/> | Pre-regulatory <u>Orphan</u> | <input checked="" type="checkbox"/> |
| Complaint Response | <input type="checkbox"/> | Remediation / Restoration | <input type="checkbox"/> |
| Compliance Verification | <input type="checkbox"/> | Plugging Witnessed | <input type="checkbox"/> |
| Construction | <input type="checkbox"/> | SRA / Expiration | <input type="checkbox"/> |
| Drilling / Service Rig | <input type="checkbox"/> | Seismic Inspection | <input type="checkbox"/> |
| Emergency Response | <input type="checkbox"/> | | <input type="checkbox"/> |
| Pit Inspection | <input type="checkbox"/> | | <input type="checkbox"/> |

Class II UIC Wells

- | | | | |
|----------------|--------------------------|-------------------|-----------|
| Injecting: | <input type="checkbox"/> | Tubing Pressure: | _____ PSI |
| Not Injecting: | <input type="checkbox"/> | Annulus Pressure: | _____ PSI |

Non-UIC Wells

- | | | | |
|-----------|-------------------------------------|----------------------|--------------------------|
| Oil Well: | <input checked="" type="checkbox"/> | Producing: | <input type="checkbox"/> |
| Gas Well: | <input type="checkbox"/> | <u>Shut-In</u> / TA: | <input type="checkbox"/> |
| Other: | _____ | Abandoned: | <input type="checkbox"/> |

Comments / Description

* Picture:

WELL IS S.I.O.W. THAT WAS INCLUDED IN K-2 AMERICA BOND FORFEITURE: WELL HAS HISTORY OF LEAKING, LEAK FIXED 8/14/2016. LAST INSPECTION NOTED LEAKAGE ON 1/8/2019: LEAK HAS WORSENED WELL HAS 5 1/2" CSG W/ 2 3/8" TBG W/ RODS-PUMP IN HOLE: STILL HOOKED TO FLOWLINE. CURRENTLY WELL IS LEAKING FROM PACKING ON TBG-HEAD AND FREE OIL IS RUNNING FROM WELLHEAD IN A 6 FT CIRCLE W/ POOLING. RECENT RAINS HAVE SPREAD STAINING INTO ADJACENT FARM FIELDS. WELL HAS 456 PSI ON IT.

JG

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

EXHIBIT 6

8/13/2019 Through 10/7/2019

Approved

Black Gold Energy Dore Facility, Inc. Billings MT	855 T1	Approved Amount: Purpose:	8/26/2019 \$10,000.00 UIC Single Well Bond ACT
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		
Jake Oil, LLC Billings MT	452 T2	Approved Amount: Purpose:	8/29/2019 \$10,000.00 UIC Single Well Bond ACT
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		
Jake Oil, LLC Billings MT	452 M2	Approved Amount: Purpose:	8/23/2019 \$50,000.00 Multiple Well Bond ACT
Certificate of Deposit	\$50,000.00 Stockman Bank of Montana		
Sklar Exploration Company LLC Boulder CO	856 G1	Approved Amount: Purpose:	9/18/2019 \$10,000.00 Single Well Bond ACT
Surety Bond	\$10,000.00 Acstar Insurance Company		
Well Done Montana LLC Bozeman MT	854 G1	Approved Amount: Purpose:	8/13/2019 \$1,500.00 Single Well Bond ACT
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		

Canceled

Glacier Energy LC Oklahoma City OK	843 L1	Canceled Amount: Purpose:	10/7/2019 \$20,000.00 Limited Bond
Greylock Conventional, LLC Charleston WV	831 T1	Canceled Amount: Purpose:	9/30/2019 \$10,000.00 UIC Single Well Bond
Greylock Conventional, LLC Charleston WV	831 M1	Canceled Amount: Purpose:	9/30/2019 \$50,000.00 Multiple Well Bond
Greylock Production, LLC Charleston WV	832 T1	Canceled Amount: Purpose:	9/30/2019 \$10,000.00 UIC Single Well Bond
Weil Oil LLC Richmond VA	748 G2	Canceled Amount: Purpose:	10/7/2019 \$10,000.00 Single Well Bond
Williston Industrial Supply Corporation Williston ND	8488 U1	Canceled Amount: Purpose:	8/13/2019 \$15,000.00 UIC Limited Bond

Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/13/2019 Through 10/7/2019

Canceled

Williston Industrial Supply Corporation Williston ND	8488 M1	Canceled Amount: Purpose:	8/13/2019 \$25,000.00 Multiple Well Bond
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Rider Approved

Grizzly Operating, LLC Houston TX	525 U1	Rider Approved Amount: Purpose:	8/23/2019 \$200,000.00 UIC Limited Bond
Surety Bond	\$200,000.00	Sirius America Insurance Company	ACT

Grizzly Operating, LLC Houston TX	525 M1	Rider Approved Amount: Purpose:	8/23/2019 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00	Sirius America Insurance Company	ACT

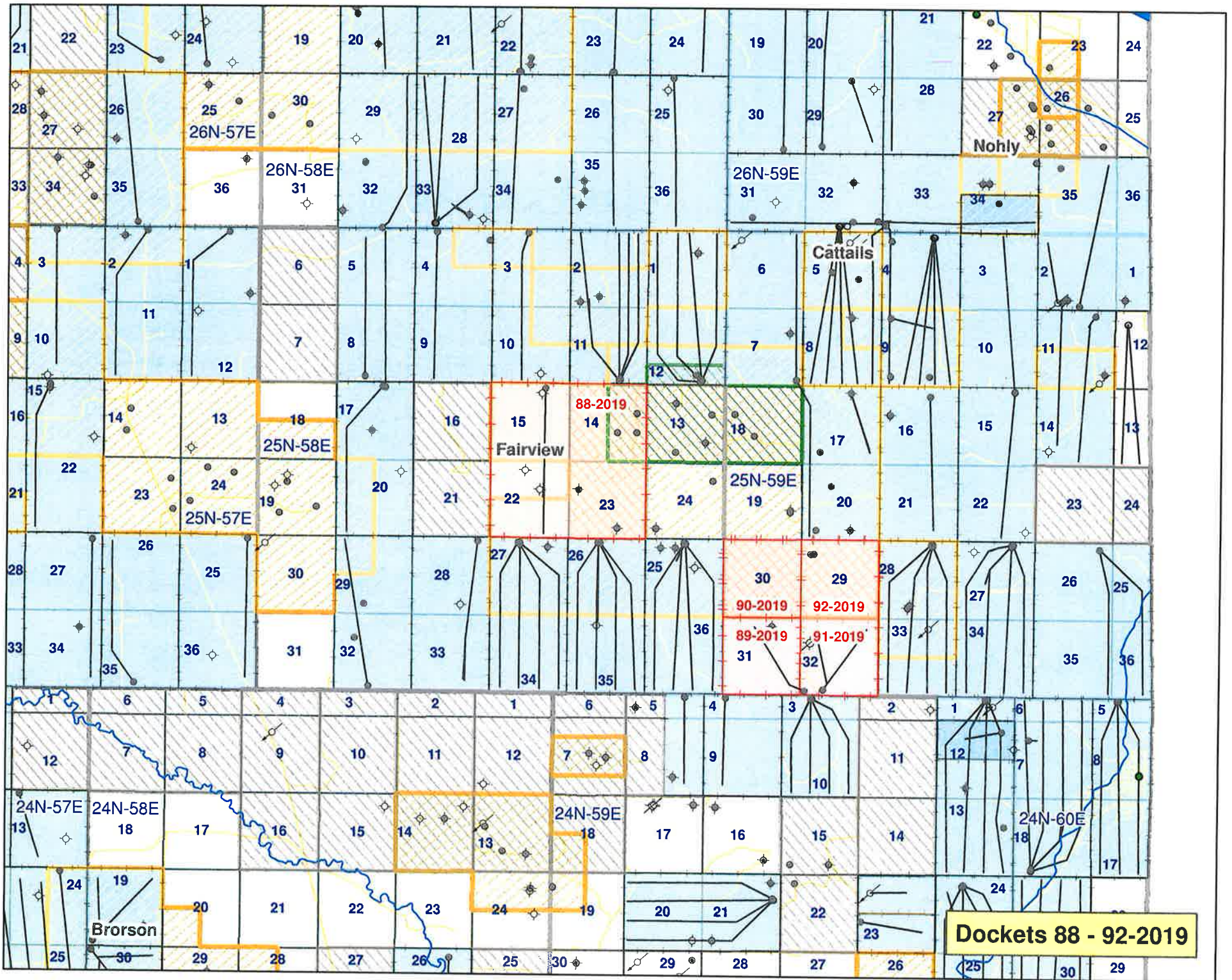
Incident Report

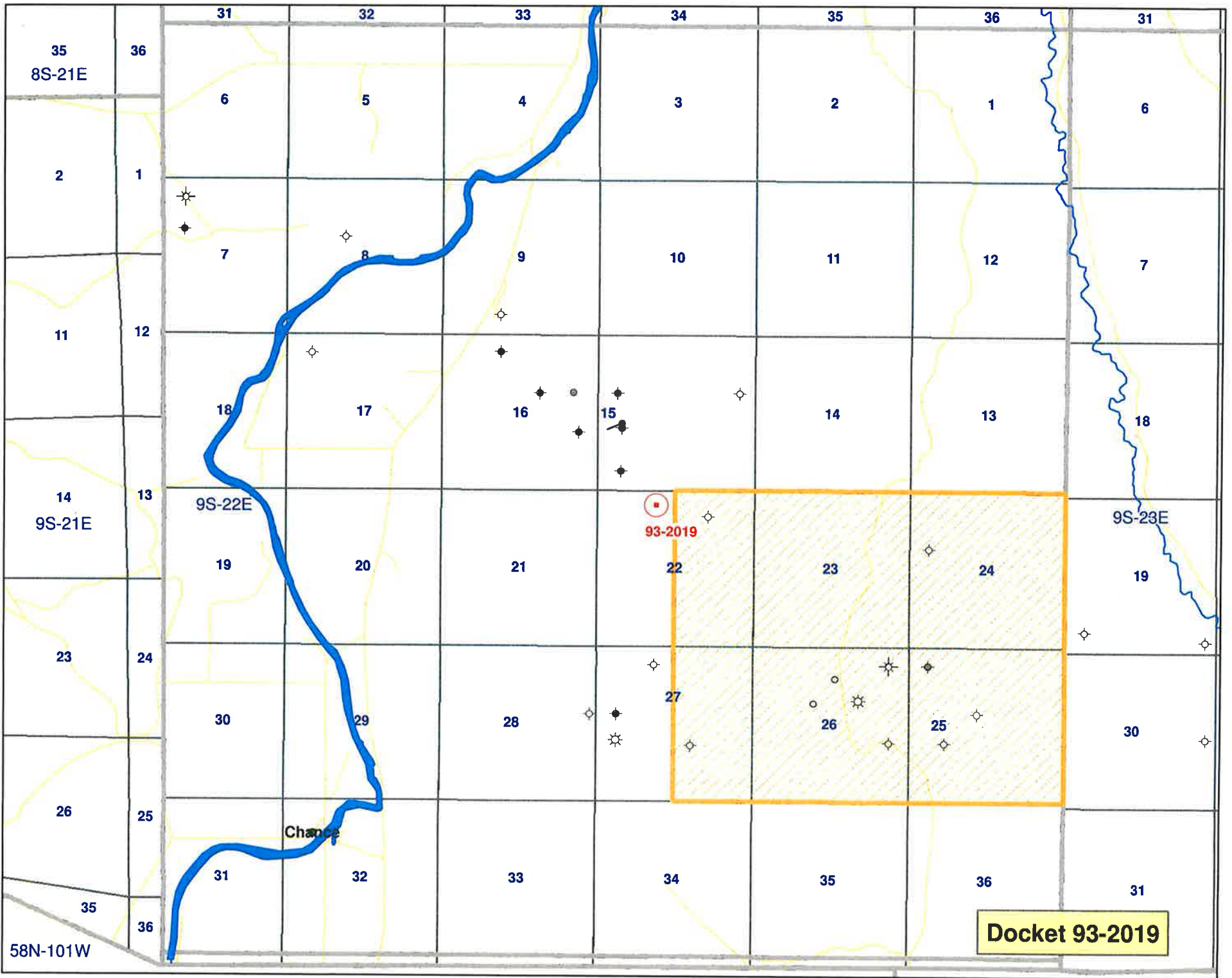
EXHIBIT 7

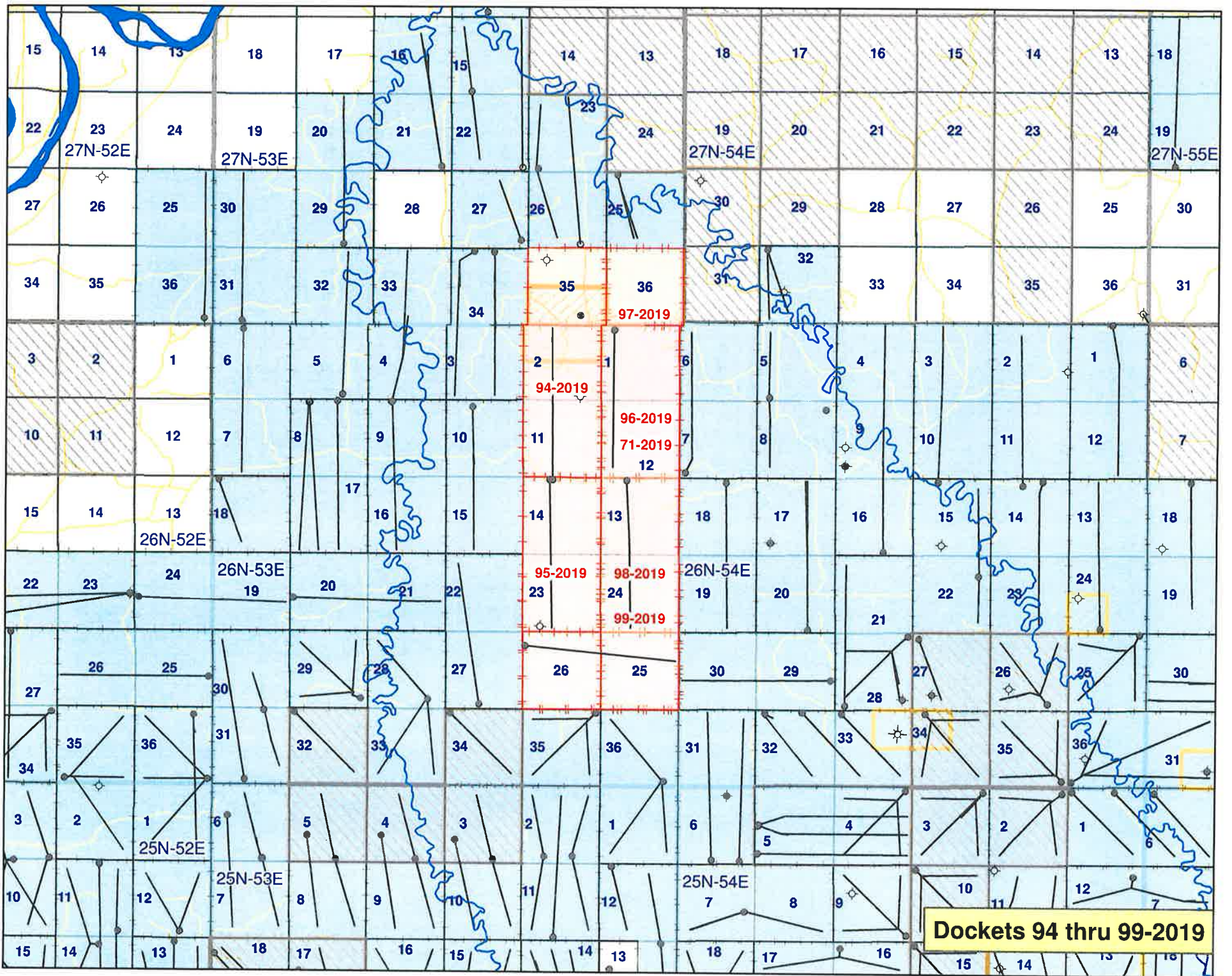
Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitud	County	T-R-S
Denbury Onshore, LLC	BOG	8/21/2019	Spill or Release	2 Gallons	3 Barrels	Treater	No	46.94417	-104.75690		14N-55E-28 NENE
White Rock Oil & Gas, LLC	BOG	8/22/2019	Spill or Release	3 Barrels		Flare Pit	No	48.12446	-104.32971	Roosevelt	27N-57E-2 SWNW
Denbury Onshore, LLC	BOG	8/25/2019	Spill or Release	1 Barrels	2 Barrels	Flow Line - Production	No	46.70858	-104.52566	Wibaux	11N-57E-15 SENE
Denbury Onshore, LLC	BOG	8/27/2019	Spill or Release	1 Barrels	60 Barrels	Flow Line - Injection	No	46.30456	-104.16922	Fallon	6N-60E-2 SENW
Bensun Energy, LLC	OTR	9/3/2019	Complaint			Trucking/Transportati	No	47.77461	-104.19345	Richland	23N-59E-7 NWNE
Citation Oil & Gas Corp.	BOG	9/6/2019	Spill or Release	5 Barrels		Flow Line - Production	No	48.46252	-109.20904	Blaine	31N-19E-12 SENW
Denbury Onshore, LLC	BOG	9/7/2019	Spill or Release	2 Barrels	6 Barrels	Flow Line - Production	No	46.60045	-104.43333	Fallon	10N-58E-21 SESW
Denbury Onshore, LLC	BOG	9/9/2019	Spill or Release	2 Barrels	23 Barrels	Flow Line - Production	No	46.72665	-104.55213	Wibaux	11N-57E-9 NWNE
Midway Energy, LLC	BOG	9/13/2019	Spill or Release		45 Barrels	Tank or Tank Battery	Yes	45.29905	-109.58616	Carbon	6S-17E-24 SWNW
True Oil LLC	BOG	9/17/2019	Spill or Release		950 Barrels	Flow Line - Injection	No	46.62888	-108.04754	Musselshell	10N-29E-14 NWSW
White Rock Oil & Gas, LLC	BOG	9/18/2019	Spill or Release	260 Barrels		Tank or Tank Battery	No	47.79279	-104.09767	Richland	24N-59E-36 SWSW
Poplar Resources LLC	BOG	9/18/2019	Spill or Release	4 Barrels	3000 Barrels	Flow Line - Production	No	48.23565	-105.12942	Roosevelt	29N-51E-30 NESE
Anadarko Minerals, Inc.	FED	9/18/2019	Spill or Release	10 Barrels	50 Barrels	Pump Failure	Yes	48.36579	-105.90742	Valley	30N-45E-8 SESW
Denbury Onshore, LLC	BOG	9/27/2019	Spill or Release	4 Barrels	300 Barrels	Flow Line - Injection	No	45.09639	-105.07750	Powder River	8S-54E-35 NWSW

Docket Summary

88-2019	Kraken Oil & Gas LLC	Overlapping temporary spacing unit, Bakken/Three Forks Formation, 25N-58E-14: all, 15: all, 22: all, 23: all, drill an additional well proximal to common boundary between existing spacing units.			<input type="checkbox"/>
89-2019	Kraken Oil & Gas LLC	Vacate order 342-2011 (TSU, Bakken/Three Forks Formations, 25N-59E-29: all, 30: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-30: all, 31: all, 500' lateral and 200' heel/toe setbacks. Apply for permanent spacing within 90 days of completion.	Continued	<i>Related application: 89-2019, 90-2019.</i> <i>Overlaps with existing wells on 640-acre spacing.</i> <i>Application continued, email received 9/28/19.</i>	<input type="checkbox"/>
90-2019	Kraken Oil & Gas LLC	Exception to drill up to four wells, temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-30: all, 31: all, 200' heel/toe, 500' lateral setbacks, provided that operations for the drilling of said wells commence within one year of the date of the order issued by the Board. Apply for permanent spacing within 90 days of completion.	Continued	<i>Related application: 89-2019, 90-2019.</i> <i>Overlaps with existing wells on 640-acre spacing.</i> <i>Application continued, email received 9/28/19.</i>	<input type="checkbox"/>
91-2019	Kraken Oil & Gas LLC	Vacate order 342-2011 (TSU, Bakken/Three Forks Formations, 25N-59E-29: all, 30: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-30: all, 31: all, 500' lateral and 200' heel/toe setbacks. Apply for permanent spacing within 90 days of completion.	Continued	<i>Related application: 91-2019, 92-2019.</i> <i>Overlaps with existing wells on 640-acre spacing.</i> <i>Application continued, email received 9/28/19.</i>	<input type="checkbox"/>
92-2019	Kraken Oil & Gas LLC	Exception to drill up to four wells, temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-29: all, 32: all, 200' heel/toe, 500' lateral setbacks, provided that operations for the drilling of said wells commence within one year of the date of the order issued by the Board. Apply for permanent spacing within 90 days of completion.	Continued	<i>Related application: 91-2019, 92-2019.</i> <i>Overlaps with existing wells on 640-acre spacing.</i> <i>Application continued, email received 9/28/19.</i>	<input type="checkbox"/>
93-2019	Baldwin Lynch Energy Corp.	Exception to statewide drilling and temporary spacing rules, Lakota Formation test well, 9S-22E: 22, 520' FNL, 2,014' FWL. Apply for permanent spacing within 90 days of successful completion. Default docket requested.		<i>Federal well, offsetting federal minerals?</i>	<input type="checkbox"/>
94-2019	Continental Resources Inc	Vacate order 40-2013 (Additional wells, Bakken/Three Forks Formations, 26N-53E-2: all, 11: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 27N-53E-35: all, & 26N-53E-2: all, 11: all; 500' lateral and 0' heel/toe setbacks. Apply for permanent spacing within 90 days of completion. Default Docket requested.			<input type="checkbox"/>
95-2019	Continental Resources Inc	Vacate orders 43-2013 (Additional wells, Bakken/Three Forks Formations, 26N-53E-14: all, 23: all) & 472-2012 (Additional wells, Bakken/Three Forks Formations, 26N-53E-25: all, 26: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-53E-14: all, 23: all, 26: all; 500' lateral and 0' heel/toe setbacks. Apply for permanent spacing within 90 days of completion. Default Docket requested.			<input type="checkbox"/>







Dockets 94 thru 99-2019

96-2019	Continental Resources Inc	Vacate order 469-2013 (Additional wells, Bakken/Three Forks Formations, 26N-53E-1: all, 12: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 27N-53E-36: all, & 26N-53E-1: all, 12: all; 500' lateral and 0' heel/toe setbacks. Apply for permanent spacing within 90 days of completion. Default Docket requested.		<i>Related application: 96-2019, 97-2019.</i>	<input type="checkbox"/>
97-2019	Continental Resources Inc	Exception to drill up to three additional wells, temporary spacing unit, Bakken/Three Forks Formation, 27N-53E-36: all, & 26N-53E-1: all, 12: all, 0' heel/toe, 500' lateral setbacks. Default Docket requested.		<i>Related application: 96-2019, 97-2019.</i>	<input type="checkbox"/>
98-2019	Continental Resources Inc	Vacate orders 113-2013 (Additional wells, Bakken/Three Forks Formations, 26N-53E-13: all, 24: all) & 472-2012 (Additional wells, Bakken/Three Forks Formations, 26N-53E-25: all, 26: all); designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-53E-13: all, 24: all, 25: all; 500' lateral and 0' heel/toe setbacks. Apply for permanent spacing within 90 days of completion. Default Docket requested.		<i>Related application: 98-2019, 99-2019.</i>	<input type="checkbox"/>
99-2019	Continental Resources Inc	Exception to drill up to three additional wells, temporary spacing unit, Bakken/Three Forks Formation, 26N-53E-13: all, 24: all, 25: all, 0' heel/toe, 500' lateral setbacks. Default Docket requested.		<i>Related application: 98-2019, 99-2019.</i>	<input type="checkbox"/>
100-2019	Sage Creek Colony	Permanent spacing unit, Colorado Group, 37N-5E-12: SESE (Federal 44-12). For domestic purposes only.	Continued	<i>Statewide 640-acre SU. Loc 330' FSB & 300' FEB of proposed SU Reported - Blackleaf (Lybeck, Gas)</i> <i>Liberty County Times failed to publish the legal ad. Docket continued to December hearing.</i>	<input type="checkbox"/>
101-2019	Sage Creek Colony	Permanent spacing unit, Colorado Group, 37N-5E-13: NWNE (Federal 2R-13). For domestic purposes only.	Continued	<i>Sage Creek Field, 640-acre SU. Loc 280' FSB, 555' FWB of proposed SU. Reported - Bow Island (Woods, Gas)</i> <i>Liberty County Times failed to publish the legal ad. Docket continued to December hearing.</i>	<input type="checkbox"/>
102-2019	Sage Creek Colony	Permanent spacing unit, Colorado Group, 37N-6E-8: SENE (Margaret T. Johnson #1). For domestic purposes only.	Continued	<i>Sage Creek Field, 640-acre SU. Loc 330' FWB, 190' FSB of proposed SU. Reported - Second White Specks. (Sage Ck., gas)</i> <i>Liberty County Times failed to publish the legal ad. Docket continued to December hearing.</i>	<input type="checkbox"/>
103-2019	Sage Creek Colony	Permanent spacing unit, Colorado Group, 37N-6E-12: NWSW (Johnson 12-12). For domestic purposes only.	Continued	<i>Sage Creek Field, 640-acre SU. Loc 355' FNB, 307' FWB of proposed SU. Reported - Second White Specks. (Lybeck, gas)</i> <i>Liberty County Times failed to publish the legal ad. Docket continued to December hearing.</i>	<input type="checkbox"/>

104-2019	Sage Creek Colony	Designating Jessie Millen #1 as noncommercial natural gas well, 37N-5E-24: NWNE, 990' FNL, 2250' FEL. For domestic purposes only.	Continued	Sandwich Field; 320-acre, N2 SU Reported - Swift (Sage Ck., gas) Liberty County Times failed to publish the legal ad. Docket continued to December hearing.	<input type="checkbox"/>
105-2019	Sage Creek Colony	Designating M. Johnson #15-5 as noncommercial natural gas well, 37N-6E-5: SWSE, 900' FSL, 2060' FEL. For domestic purposes only.	Continued	Sage Creek Field; 640-acre SU Reported - Second White Specks (Sage Ck., gas) Liberty County Times failed to publish the legal ad. Docket continued to December hearing.	<input type="checkbox"/>
106-2019	Sage Creek Colony	Designating Corcoran and Gray #6-27 as noncommercial natural gas well, 37N-6E-27: SENW, 1650' FNL, 1430' FWL. For domestic purposes only.	Continued	Statewide spacing Reported - Blackleaf (Sage Ck., Domestic) Liberty County Times failed to publish the legal ad. Docket continued to December hearing.	<input type="checkbox"/>
107-2019	Cline Production Company	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 Tyler Oil Company to Cline Production Company, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.	Continued	Application continued, fax received 10/7/19.	<input type="checkbox"/>
108-2019	ANG Holding (USA) Corp.	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 applications from Montana Land & Exploration, Inc. to ANG Holding (USA) Corp., and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>
109-2019	Board of Oil and Gas Conservation	White Rock Oil & Gas, LLC is to appear at the October 10, 2019, public hearing to provide the Board a progress update of its efforts to reduce its plugging liability.			<input type="checkbox"/>
71-2019	Continental Resources Inc	Overlapping temporary spacing unit, Bakken/Three Forks Formation, T27N-R53E-36: all, T26N-R53E-1: all, 12: all, 13: all, 24: all, 25: all, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default Docket requested.	Withdrawn		<input type="checkbox"/>
74-2019	Foothills Exploration, 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 applications from Bayswater Exploration & Production, LLC and Big Sky Energy, LLC to Foothills Exploration, LLC, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>

110-2019	Zeiders Bros. Oil & Gas Company, L.L.C.	Show Cause: why it should not be required to immediately plug and abandon its Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 5, T22N-R47E, McCone County, Montana.	<input type="checkbox"/>
111-2019	TOI Operating	Show Cause: its progress to plug and abandon its Moerman 14-30 well, API # 25-109-21053, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, T18N-R59E, Wibaux County, Montana and its future plans for the MT Ag. Sta. 28-41., located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, T23N-R59E, Richland County, Montana and the Theil 14-23 located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14, T22N-R59E, Richland County, Montana.	<input type="checkbox"/>
112-2019	PARMT LLC	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment of the Guenther 2-8 well, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, T33N-R58E, Sheridan County, Montana.	<input type="checkbox"/>
113-2019	Bensun Energy, LLC	Show Cause: why it should not begin to plug and abandon or transfer its wells prior to the October 10, 2019, public hearing. The failure to begin to plug and abandon or transfer the wells as required by Board Order 77-2019 may result in forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.	<input type="checkbox"/>
60-2017	Black Gold Energy Resource Development, LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Indian Mound 1 SWD well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T23N, R55E, Richland County, Montana as required by Board Order 45-2017, in accordance with § 82-11-123(5), MCA.	<input type="checkbox"/>
75-2019	Grassy Butte LLC	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Kesterson #5 saltwater disposal well (API # 25-087-21488).	<input type="checkbox"/>
76-2019	Summit Gas Resources, Inc.	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Visborg 22-0841 11 SA (API # 25-003-22690) and the DP 31-0842 05 SA (API # 25-003-22725) saltwater disposal wells.	<input type="checkbox"/>
77-2019	Cline Production Company	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Kincheloe 3X-30 (API # 25-087-21285), Kincheloe 1-6 (API # 25-087-21346), Kincheloe 10-19 (API # 25-087-21239), and the Kincheloe 1-12 (API # 25-087-21354) enhanced oil recovery injection wells.	<i>Request to continue docket, fax received 10/7/19.</i> <input type="checkbox"/>
78-2019	A & G Oil & Gas	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon the Normont 1 well, API # 25-101-23443, Rossmiller 3 well, API # 25-101-23440, and Mullady 11-30 well, API # 25-101-22933, as required by Board Order 22-2019, in accordance with § 82-11-123(5), MCA.	<input type="checkbox"/>

GAS FLARING

October 9, 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	10	6	4	6	10
Petro-Hunt	3	0	3	0	0
Whiting	3	0	3	0	0
Totals	16	6	10	6	10

Flaring Requests

Summary

There are 10 wells flaring over 100 MCFG per day based on current production numbers.

4 of the 10 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 6 exceptions requested at this time.

Kraken –

Rowin 17-8 #1H – API #25-083-23350, 26N-59E-21

1. Flaring 162 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 379 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 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.

Elroy 32-31 #1H – API #25-083-23346, 26N-59E-33

1. Flaring 109 MCF/D.
2. Completed: 2/2018.
3. Estimated gas reserves: 236 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
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.

Dagney 21-28 #1H – API #25-083-23348, 26N-59E-21

1. Flaring 181 MCF/D.
2. Completed: 6/2018.
3. Estimated gas reserves: 513 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 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.

RKT Carda 7-6 #1H – API #25-083-23352, 25N-59E-07

1. Flaring 131 MCF/D.
2. Completed: 5/2018.
3. Estimated gas reserves: 573 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in June, Kraken has had very limited success selling gas into the line due to sales line pressure.

Fletch 5-8 #1H – API #25-083-23347, 26N-59E-33

1. Flaring 129 MCF/D.
2. Completed: 2/2018.
3. Estimated gas reserves: 383 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Used mobile refrigeration unit from May through October 2018 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: 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.

Eagle 4-9 #2H – API #25-083-23345, 26N-59E-33

1. Flaring 199 MCF/D.
2. Completed: 2/2018.
3. Estimated gas reserves: 297 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: Used mobile refrigeration unit from May through October 2018 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: 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

SUMMARY PAGE

Board Business Meeting October 9, 2019

PRIDE ENERGY COMPANY

- 100% of the wells on Pride's \$50,000 multiple well bond are shut-in.
- On 08/05/19 a certified letter with an October 9, deadline was sent to Pride asking for a plan and schedule for plugging its wells or a justification with supporting documentation for why the wells should not be plugged. A letter was also sent detailing field compliance issues.
- We have not received anything from Pride and the field violations have not been addressed.

Recommendation: Order Pride Energy Company to show cause at the December 2019 hearing for why they should not have to provide a plan and timeline for plugging their wells.

Enforcement Status Report*Run Date: 10/9/2019**Page 1 of 1*

Pride Energy Company**1st Action: 6/26/2019****Action Required: 10/9/2019****Closed:****Enforcement Items:**

Complaint	E. Sundsted 1.
Inactive Wells - Board Review	BN 23-1, BN 10X-23, BN 23-1X, E. Sundsted 1.
Housekeeping	BN 23-1, BN 10X-23, E. Sundsted 1

Action:

E-Mail	10/8/2019	Emailed Kyle Young about board business meeting.
Other	8/13/2019	Return receipt received.
Letter, Certified	8/5/2019	Plug plan for all wells on bond (all SI), + Compliance issues.
Letter	6/26/2019	Rodney Sundsted sent letter requesting site be cleaned up.

Comment: API: 2509121576. Olje Field. Rodney Sundsted (landowner) would like the location cleaned up. Last non zero prod- August 1996. There was an oil spill at the BN 10X-23 and it needs to be cleaned up. There is junk on the BN 10X-23 location needing to be removed. Vegetation needs to be removed from 3 well locations. 100% of the wells on the \$50,000 multiple well bond are SI.

Plugging and Reclamation Bonds With Well List

PRIDE ENERGY COMPANY		190	Bond: MI	\$50,000.00	Multiple Well Bond	Active	Wells: 5	Allowed: 9/19/1997		
Surety Bond		MID-CONTINENT CASUALTY COMPANY			\$50,000.00		Approved			
API #	Operator	Well	Location			Field	TD	PBTD	Status	
083-21609	Pride Energy Company	BN 23-1	23 N	54 E	23	SE NW 1980N 1980W	Enid, North	12048	11900	SI OIL
083-21644	Pride Energy Company	BN 10X-23	23 N	54 E	23	SW NW SE 1920S 2117E	Enid, North	11820	10359	SI OIL
083-21794	Pride Energy Company	BN 23-1X	23 N	54 E	23	SE NW 1980N 2280W	Enid, North	11700	11880	SI OIL
085-21079	Pride Energy Company	Mable Wilson 1	27 N	59 E	33	C SW NW 1980N 660W	Rip Rap Coulee	12966	9018	AU OIL
091-21576	Pride Energy Company	E. Sundsted 1	33 N	57 E	6	NE NW 900N 1400W	Olje	11429	11340	SI OIL

Comment: 8/3/2000: Rider increasing bond from \$10K single-well to \$50K multi-well.

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DEPARTMENT OF NATURAL RESOURCES
 AND CONSERVATION
 BOARD OF OIL AND GAS

STEVE BULLOCK, GOVERNOR

STATE OF MONTANA



September 24, 2019

WHITING OIL & GAS CORPORATION
 ATTN: SHANE FROSS
 1700 BROADWAY
 SUITE 2300
 DENVER, CO 80290

Dear Mr. Fross,

This letter is to inform you that Whiting will be discussed at the Board Meeting on October 9, 2019, for failure to have prior approval for the hydraulic fracture stimulations at the Iverson Bros 14-33-2H and Iverson Bros 14-33-3H wells.

If you have any questions, please give me a call at your earliest convenience at 406-656-0040.

Sincerely,

John Gizicki
 Compliance Specialist

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

36.22.608 WELL STIMULATION ACTIVITIES COVERED BY DRILLING PERMIT

(1) Well completions which include hydraulic fracturing, acidizing, or other chemical stimulation done to complete a well are considered permitted activities under the drilling permit for that well only if the processes, anticipated volumes, and types of materials planned for use are expressly described in the permit application for that well.

(2) For wildcat or exploratory wells or when the operator is unable to determine that hydraulic fracturing, acidizing, or other chemical treatment will be done to complete the well, the operator must submit a notice of intent to stimulate or chemically treat a well on Form No. 2 prior to commencing such activities provided that:

(a) the written information describing the fracturing, acidizing, or other chemical treatment must be provided to the board's staff at least 48 hours before commencement of well stimulation activities.

(3) For the purpose of this section, an adequate description of the proposed well stimulation includes:

- (a) the estimated total volume of treatment to be used;
- (b) disclosure of fracturing fluids in accordance with 82-10-603, MCA;
- (c) the estimated amount or volume of the principle components such as viscosifiers, acids, or gelling agents;
- (d) the estimated weight or volume of inert substances such as proppants and other substances injected to aid in well cleanup, either for each stage of a multistage job or for the total job; and
- (e) the maximum anticipated treating pressure or a written description of the well construction specifications which demonstrate that the well is appropriately constructed for the proposed fracture stimulation.

History: 82-11-111, MCA; IMP, 82-11-111, 82-11-122, 82-11-134, MCA; NEW, 2011 MAR p. 1686, Eff. 8/26/11; AMD, 2018 MAR p. 2209, Eff. 11/3/18.

Jones, Benjamin

From: Michael L. Brown <ml_brown@bresnan.net>
Sent: Wednesday, October 10, 2018 3:23 PM
To: Jones, Benjamin
Subject: Re: Whiting - Iverson Bros Affidavits
Attachments: scan0026.pdf

Here are the affidavits. Whiting will submit their frac proposal at a later date.

Michael Brown

----- Original Message -----

From: [Jones, Benjamin](#)
To: [Michael L. Brown](#)
Sent: Wednesday, October 10, 2018 2:44 PM
Subject: RE: Whiting - Iverson Bros Affidavits

Hi Michael,

Everything is in order with the permits, however, the Sidney ad was ran on 10/3, so with the ten day notice period, the earliest I could approve is Monday, 10/15. I have down the Helena ads were ran 9/28, but don't seem to have the ad affidavits for those, do you have a copy you could send me please? Also, can you confirm Whiting is planning to submit frac proposal at a later date?

Thanks,

Ben Jones
Petroleum Engineer
Montana Board of Oil & Gas
2535 St. Johns Ave
Billings, MT 59102

Office Phone: [406-656-0040](tel:406-656-0040)
Office Fax: [406-655-6015](tel:406-655-6015)

From: Michael L. Brown <ml_brown@bresnan.net>
Sent: Wednesday, October 10, 2018 10:38 AM
To: Jones, Benjamin <BJones@mt.gov>
Subject: Whiting - Iverson Bros Affidavits

Ben,

Attached are the affidavits we discussed on the phone.

Thanks for your help.

Michael L. Brown
307-237-9310

STATE OF MONTANA

PROPOSED Meeting Schedule

EXHIBIT 12
2020

January							February							March						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
		1	2		JAN 3	4						1	1	2	3	4	5	6	7	
5	6	7	8	9	10	11	2	3	4	5	6	8	8	9	10	11	12	MAR 13	14	
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17	18	19	20	21
19	20	21	22	23	24	25	16	17	18	19	20	FEB 21	22	22	23	24	25	26	MAR 27	28
26	27	28	29	30	JAN 31		23	24	25	26	27	FEB 28	29	29	30	31				

April							May							June						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
			1	2	3	4						1	2						JUNE 5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	JUNE 19	20
19	20	21	22	23	24	25	17	18	19	20	21	MAY 22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													

July							August							September						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
			1	2	JULY 3	4						1			1	2	3	4	5	
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	SEPT 11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	SEPT 25	26
26	27	28	29	30	JULY 31		23	24	25	26	27	AUG 28	29	27	28	29	30			
							30	31												

October							November							December						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	NOV 20	21	13	14	15	16	17	FREE 18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

○ Filing Deadline

□ Meeting / Hearing

◆ HOLIDAY

~~unavailable~~ meeting date