

CROWLEY | FLECK
ATTORNEYS

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September 2, 2019

VIA EMAIL AND FEDEX

Mr. Jim Halvorson, Administrator
Board of Oil & Gas Conservation
State of Montana
2535 St. Johns Avenue
Billings, Montana 59102-4693

Re: Kraken Oil & Gas LLC – Applications – Request for Hearing
Our File Nos. 056160.000148, *et al.*

Dear Jim:

Enclosed please find in quadruplicate five (5) applications for hearing at the October 10, 2019 meeting of the Board in Billings.

Thank you for your assistance. If you have any questions, please call.

Very truly yours,

JOHN R. LEE

JRL:jrl

cc: Andrew McGhee (w/encl.)

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 DESIGNATING AN OVERLAPPING TEMPORARY SPACING UNIT ("OTSU") COMPRISED OF ALL OF SECTIONS 14, 15, 22 AND 23, TOWNSHIP 25 NORTH, RANGE 58 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR PURPOSES OF DRILLING A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION NOT CLOSER THAN 200' (HEEL/TOE SETBACK) ORIENTED IN A NORTH-SOUTH AZIMUTH PROXIMATE TO THE COMMON BOUNDARY BETWEEN THE TSU COMPRISED OF SECTIONS 14 AND 23, AND THE PSU COMPRISED OF SECTIONS 15 AND 22, TOWNSHIP 25 NORTH, RANGE 58 EAST, M.P.M., RICHLAND COUNTY, MONTANA, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. _____

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 all or portions of Sections 14 and 23, Township 25 North, Range 58 East, M.P.M., which tracts comprise a Temporary Spacing Unit ("TSU") for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 468-2011. All of Sections 15 and 22, Township 25 North, Range 58 East, M.P.M., comprise a Permanent Spacing Unit ("PSU") for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 298-2012.

2. Applicant desires to drill a horizontal Bakken/Three Forks formation well generally oriented in a north-south azimuth proximate to the common boundary between the noted spacing units. The proposed Overlapping TSU ("OTSU") will prevent waste, result in a greater ultimate recovery of Bakken/Three Forks formation reserves underlying the spacing units, and protect the correlative rights of all owners in the subject lands.

[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 designating All of Sections 14, 15, 22 and 23, Township 25 North, Range 58 East, M.P.M., Richland County, Montana, an OTSU for purposes of drilling a horizontal Bakken/Three Forks formation well oriented in a north-south azimuth proximate to the common boundary between the noted spacing units at a location not closer than 200' (heel/toe setback) to the boundaries thereof, and providing that the OTSU shall be limited to production from the proposed horizontal well.

DATED this 30th day of August, 2019.

KRAKEN OIL & GAS LLC

By _____

John R. Lee, Its Attorney

CROWLEY FLECK PLLP
P.O. Box 2529
Billings, MT 59103-2529
Email: jlee@crowleyfleck.com

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 DESIGNATING AN OVERLAPPING TEMPORARY SPACING UNIT ("OTSU") COMPRISED OF ALL OF SECTIONS 30 AND 31, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR PURPOSES OF DRILLING A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 200' (HEEL/TOE SETBACK)/500' (LATERAL SETBACK) TO THE BOUNDARIES OF SAID TSU, VACATING MBOGC ORDER NO. 342-2011, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. _____

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 all or portions of Section 30, Township 25 North, Range 59 East, M.P.M., which tract is presently subject to MBOGC Order No. 342-2011. All of Section 31, Township 25 North, Range 59 East, M.P.M., comprises a Permanent Spacing Unit ("PSU") for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 131-2009.

2. To more efficiently and economically recover Bakken/Three Forks formation reserves underlying the captioned lands, Applicant proposes to drill a horizontal Bakken/Three Forks formation well within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, an OTSU comprised of All of Sections 30 and 31, Township 25 North, Range 59 East, M.P.M. It will also be necessary to vacate MBOGC Order No. 342-2011.

3. Applicant will, within 90 days of successful completion of the proposed horizontal operation, file an application for Board consideration of permanent spacing and other matters relating to production from said well.

[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 designating All of Sections 30 and 31, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, an OTSU for purposes of drilling a horizontal Bakken/Three Forks formation well within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries thereof, vacating MBOGC Order No. 342-2011, and providing that the OTSU shall be limited to production from the proposed horizontal well.

DATED this 30th day of August, 2019.

KRAKEN OIL & GAS LLC

By _____
John R. Lee, Its Attorney

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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 AMENDING THE OVERLAPPING TEMPORARY SPACING UNIT ("TSU") COMPRISED OF ALL OF SECTIONS 30 AND 31, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS THEREON AT ANY LOCATIONS NOT CLOSER THAN 200' (HEEL/TOE SETBACK)/500' (LATERAL SETBACK) TO THE BOUNDARIES OF SAID TSU, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. _____

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 all or portions of Sections 30 and 31, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, which tracts are anticipated to comprise an OTSU for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. ____-2019.
2. To more efficiently and economically recover Bakken/Three Forks formation reserves underlying the captioned lands, Applicant proposes to drill up to four horizontal Bakken/Three Forks formation wells from a common pad within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, the OTSU comprised of All of Sections 30 and 31, Township 25 North, Range 59 East, M.P.M.
3. Applicant will, within 90 days of successful completion of the proposed horizontal operations, file an application for Board consideration of permanent spacing and other matters relating to production from said wells.

[B] Requests:

1. This matter be set for hearing, with notice given as required by law and the MOU;
2. After hearing the matter, the Board enter its order amending MBOGC Order No. ____-2019 to authorize the drilling of up to four horizontal Bakken/Three Forks formation wells from a common pad anywhere within such TSU but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of such wells must be commenced within one year from the date of such order.

DATED this 30th day of August, 2019.

KRAKEN OIL & GAS LLC

By _____

John R. Lee, Its Attorney

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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 DESIGNATING AN OVERLAPPING TEMPORARY SPACING UNIT ("OTSU") COMPRISED OF ALL OF SECTIONS 29 AND 32, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR PURPOSES OF DRILLING A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL THEREON AT ANY LOCATION NOT CLOSER THAN 200' (HEEL/TOE SETBACK)/500' (LATERAL SETBACK) TO THE BOUNDARIES OF SAID TSU, VACATING MBOGC ORDER NO. 342-2011, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. _____

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 all or portions of Section 29, Township 25 North, Range 59 East, M.P.M., which tract is presently subject to MBOGC Order No. 342-2011. All of Section 32, Township 25 North, Range 59 East, M.P.M., comprises a Permanent Spacing Unit ("PSU") for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 337-2008.

2. To more efficiently and economically recover Bakken/Three Forks formation reserves underlying the captioned lands, Applicant proposes to drill a horizontal Bakken/Three Forks formation well within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, an OTSU comprised of All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M. It will also be necessary to vacate MBOGC Order No. 342-2011.

3. Applicant will, within 90 days of successful completion of the proposed horizontal operation, file an application for Board consideration of permanent spacing and other matters relating to production from said well.

[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 designating All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, an OTSU for purposes of drilling a horizontal Bakken/Three Forks formation well within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries thereof, vacating MBOGC Order No. 342-2011, and providing that the OTSU shall be limited to production from the proposed horizontal well.

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2. To more efficiently and economically recover Bakken/Three Forks formation reserves underlying the captioned lands, Applicant proposes to drill up to four horizontal Bakken/Three Forks formation wells from a common pad within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, the OTSU comprised of All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M.
3. Applicant will, within 90 days of successful completion of the proposed horizontal operations, file an application for Board consideration of permanent spacing and other matters relating to production from said wells.

[B] Requests:

1. This matter be set for hearing, with notice given as required by law and the MOU;
2. After hearing the matter, the Board enter its order amending MBOGC Order No. ____-2019 to authorize the drilling of up to four horizontal Bakken/Three Forks formation wells from a common pad anywhere within such TSU but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of such wells must be commenced within one year from the date of such order.

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