

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

IN THE MATTER OF SHADWELL RESOURCES GROUP,
LLC FAILURE REPORT TWO SPILLS AND TO PROPERLY
MAINTAIN THE VELMA SWD 1-10H WELLSITE IN
RICHLAND COUNTY, MONTANA.

ADMINISTRATIVE ORDER 3-A-2020

Shadwell Resources Group, LLC (Shadwell) is the bonded operator of record of the Velma SWD 1-10H injection well, API # 25-083-22531, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, T23N-R58E, Richland County, Montana.

Around May 4, 2020, a spill occurred that was estimated to be over 55 barrels of salt water / oil. Staff did not receive immediate notification of the spill or a written report of the spill from Shadwell, as required under ARM 36.22.1103.

On June 4, 2020, a certified letter was mailed to Shadwell addressing the May 4th spill and field compliance issues that include an overflowing dumpster with used filter socks and lack of weed control.

On June 11, 2020, a landowner reported that under 10 barrels of salt water / oil had misted onto his field.

On June 12, 2020, Shadwell's president, Kevin Leland, was contacted via telephone and was informed of the June 11th spill. Compliance specialist, John Gizicki, verified that Mr. Leland received the June 4th letter regarding the first spill and compliance issues. Mr. Leland had received the letter.

On June 17, 2020, Mr. Gizicki conducted a field inspection at the location and confirmed all compliance issues remained and identified additional compliance issues including open containers with oily fluids and a leaking tank.

On June 18, 2020, Mr. Gizicki notified Shadwell via email that this matter was going to be brought up at the Board Business meeting. No response was received to this email.

IT IS THEREFORE ORDERED by the Board that Shadwell must immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator.

Dated this 24th day of June, 2020

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator