

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

**IN THE MATTER OF THE
APPLICATION OF CARDINAL OIL, LLC
FOR AN ORDER DESIGNATING AND
CREATING A TEMPORARY SPACING
UNIT COMPRISED OF SECTION 27,
TOWNSHIP 10 NORTH, RANGE 31
EAST, ROSEBUD COUNTY, AND
AUTHORIZING THE DRILLING OF A
HORIZONTAL HEATH FORMATION
WELL AT ANY LOCATION NOT
CLOSER THAN 200' TO THE
NORTH/SOUTH BOUNDARIES (HEEL
AND TOE SETBACK) AND 500' TO THE
EAST/WEST BOUNDARIES (LATERAL
SETBACK) OF THE REQUESTED
TEMPORARY SPACING UNIT.**

APPLICATION

DOCKET NO. 37 - 2020

Cardinal Oil, LLC ("Applicant"), 2650 Overland Avenue, Billings, Montana 59102, presents the following Application:

1. Applicant is an interest owner and operator within all of Section 27, Township 10 North, Range 31 East, Rosebud County, which lands are presently subject only to Board Rule Nos. 36.22.702 and 703 as to the Heath Formation.
2. Applicant proposes to drill a horizontal Heath Formation well within and upon Section 27, at any location not closer than 200' to the north/south boundaries (heel and toe setback) and 500' to the east/west boundaries (lateral setback).
3. Total vertical depth of Applicant's proposed test well is above six thousand feet (6,000') subsurface.
4. Applicant believes that Board approval of the request herein will provide the flexibility necessary to economically and efficiently drill Applicant's proposed Heath Formation horizontal test well.
5. In the event Applicant's single lateral Heath Formation well referred to above is authorized by this Board and thereafter drilled and completed as a well capable of commercial production of Heath Formation oil and associated natural gas, within ninety (90) days of such completion Applicant will file an appropriate application with the

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Board requesting a permanent spacing unit for said well and Heath Formation oil and associated natural gas produced therefrom.

6. Applicant believes the granting of the request herein will serve to protect the correlative rights of all interested parties and will be in the best interests of prevention of waste and conservation of Heath Formation oil and natural gas produced in association therewith.
7. Applicant advises that certain evidence and testimony in support of the Application will be provided in Affidavit form.

WHEREFORE, Applicant requests the following:

1. This matter be set for hearing by this Board and notice thereof be given as required by law;
2. After hearing this matter the Board enter its Order designating all of Section 27 the subject hereof as a temporary spacing unit and authorizing Applicant to drill, complete and produce Heath Formation oil and associated natural gas therefrom; and
3. For such other or additional relief as this Board may deem appropriate.

Dated June 30, 2020.

LEE LAW OFFICE PC

By: 

Don R. Lee, Attorney for Applicant
Lee Law Office PC
158 Main Street – P.O. Box 790
Shelby, MT 59474
Telephone: (406) 434-5244
Facsimile: (406) 434-5246
Email: don@leelawofficepc.com

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



STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

July 7, 2020

Travis Leck, VP Operations
Cat Creek Holdings LLC
398 Sage Lane
Winnett, MT 59087

Re: Pending Notice of Intent to Change Operator and Request to Appear

Dear Cat Creek Holdings LLC:

The Board of Oil and Gas Conservation (Board) recently received an email with an anticipated change operator request from Carrell Oil Company DBA COCO to Cat Creek Holdings LLC (Cat Creek). The official Notice of Intent to Change Operator request has not yet been received by the Board.

Cat Creek is a new operator that is acquiring 15 or more wells to be covered by a single, multiple well bond. Due to the Board's transfer of plugging and reclamation policy, the approval of the change of operator request is being referred to the Board. The policy is enclosed. Cat Creek is to appear at the August 6, 2020, public hearing. At that time, the Board will determine if Cat Creek's proposed multiple well plugging and reclamation bond is adequate prior to the approval of the change of operator request.

Cat Creek and its attorney should review the enclosed policy for the suggested information to provide to the Board.

If you have any questions, please contact me at (406) 656-0040 or at jhalvorson@mt.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim".

Jim Halvorson
Administrator / Petroleum Geologist

cc: Carrell Oil Company DBA COCO to Cat Creek Holdings LLC

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

Breton, Jennifer

From: Travis Leck <tf_leck@hotmail.com>
Sent: Monday, June 29, 2020 4:28 PM
To: Breton, Jennifer
Subject: [EXTERNAL] Cat Creek Holdings LLC - Docket Request

Jennifer,

Thank you for the Cat Creek Field bonding information last week. We are working on filling out the change of operator forms now and expect to close the financial transaction tomorrow.

Please consider this email our request to be on the docket and appear in front of the Board at their August meeting. Our intent is to have the Board approve the forthcoming change of operator from Carrell Oil Company to Cat Creek Holdings LLC and approve the bonding requirements.

We will be assuming operatorship of all wells and facilities of Carrell Oil Company located in Petroleum and Garfield Counties, Montana.

The new operating entity is:

Cat Creek Holdings LLC
398 Sage Lane
Winnett, MT 59087

Cat Creek Holdings LLC is Montana company and is registered with the Montana Secretary of State.

If you have any questions I can be reached at the contact below.

Thank you,

Travis Leck
VP Operations
Cat Creek Holdings LLC
398 Sage Lane
Winnett, MT 59087
Cell 307-250-3234
Tf_leck@hotmail.com

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



STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

July 7, 2020

Scotty Smith, President
Three Forks Resources, LLC
4080 Youngfield Street
Wheatridge, CO 80033

Re: Pending Notice of Intent to Change Operator and Request to Appear

Dear Three Forks Resources, LLC:

The Board of Oil and Gas Conservation (Board) recently received an email with an anticipated change operator request from True Oil LLC to Three Forks Resources, LLC (Three Forks). The official Notice of Intent to Change Operator request has not yet been received by the Board.

The request and the approval of the request will result in 10 or more inactive wells on Three Forks' multiple well bond. Due to the Board's transfer of plugging and reclamation policy, the approval of the change of operator request is being referred to the Board. The policy is enclosed. Three Forks is to appear at the August 6, 2020, public hearing. At that time, the Board will determine if Three Forks' current \$50,000 multiple well plugging and reclamation bond is adequate prior to the approval of the change of operator request.

Three Forks and its attorney should review the enclosed policy for the suggested information to provide to the Board.

If you have any questions, please contact me at (406) 656-0040 or at jhalvorson@mt.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim".

Jim Halvorson
Administrator / Petroleum Geologist

cc: True Oil LLC

Breton, Jennifer

From: Scotty A. Smith <Scotty@3ForksRes.com>
Sent: Wednesday, July 1, 2020 12:36 PM
To: Breton, Jennifer
Cc: Irene Trujillo; 'DAN HICKMAN (dan@goldenstoneresources.com)'
Subject: [EXTERNAL] August 6th hearing regarding operation change from True Oil to Three Forks Resources

We are in the process of acquiring True Oil Company's Utopia Unit in Liberty County.

There are 33 total wells in the unit with wells status as below;

19 active producers

8 shut-in injection wells

1 active injector

3 shut-in producers

2 water supply wells.

The well depths are plus or minus 2200 feet.

We would like to be added to the August hearing as required to review bonding requirements.

We currently operate another 75 wells in the state with most of those being shallow gas wells in the Sweet Grass Hills area.

Please let know if you receive this email.

Thank you

Scotty A. Smith

President

Three Forks Resources, LLC

4080 Youngfield St.

Wheatridge, CO 80033

scotty@3forksres.com

scottysmith@earthlink.net

Office: 303.318.0717

Cell: 303.898.6676 or 406.539.3997