

STATE OF MONTANA

PROPOSED Meeting Schedule

2021

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		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24/31	25	26	27	28	29	30	28							28	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							1		1	2	3	4	5	
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							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	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		

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		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24/31	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	

○ FILING DEADLINE

□ MEETING / HEARING

◇ HOLIDAY

Exhibit 1



4901 LBJ FWY, STE 300, Dallas, TX 75244
972-865-7597 | www.scoutep.com

August 13, 2020

Exhibit 2

Montana Board of Oil and Gas
Attn: Jim Halvorson
2535 St. Johns Avenue
Billings, MT 59102

RE: Summary of Plugging and Reclamation Plans for Non-Producing Wells (Board Order 2-2020)

Dear Mr. Halvorson:

Scout Energy Management Company LLC, respectfully submits this letter in response to the transfer of operator from Omimex Canada LTD to Scout Energy Management LLC, Board Order 2-2020. Scout's original plan at the beginning of 2020 for the ten non-producing wells that will be plugged, abandoned and reclaimed was set to begin in July of 2020. The plugging and abandonment procedure is to set a CIBP 50' above perfs or open hole, pressure test to 300psi and set cement on top of CIBP.

Due to unforeseen circumstances with COVID-19 and the subsequent oil price crash, Scout has limited capital to spend on plugging and abandonment projects in 2020 and those plans were delayed. Scout is committed to complete the plugging, abandonment and reclamation of the ten non-producing wells noted below. Scout's plan is to begin plugging operations in July of 2021.

Loring East 0562-2	2507121835
Loring East 1752-1	2507121154
Loring East 1852-3	2507122173
Loring East 1952-3	2507121915
Loring East 1952-4	2507122154
Loring East 0562-3	2507123197
BOWMAN 2-7	2507121425
MURDOCK 2-1261	2507121813
FEE 2971-3	2507123098
FEDERAL 0652-2-34	2507122348

If there are any questions or concerns, please contact me at (972) 325-1027.

Respectfully,

Tee Brown
Regulatory Manager
tbrown@scoutep.com

Shut-In Wells by Operator

9/22/2020

11:48:49 AM

795 A

Wells SI %

Scout Energy Management LLC

/ Well 2762 176 6%

M1	Multiple Well Bond	\$250,000	\$192.90	1296	78	6%
F1	Federal			1466	98	7%

SI Two to Five Years	SI Five to Ten Years	SI Greater than Ten Years	Total
103	37	36	176

795/F1 Federal

Last Non-Zero

795 F1	025-21872	Federal 2124	5N-60E-12 SW NE	1326 FNL, 1404 FEL	MON	5/31/2007
795 F1	025-22173	Federal 2290	5N-60E-12 NE NE	95 FNL, 186 FEL	MON	5/31/2007
795 F1	025-22833	Federal 2795	4N-61E-2 NE SE	1490 FSL, 1302 FEL	GAS	5/31/2012
795 F1	025-22746	Federal 2740	5N-61E-32 SW NW	2634 FNL, 1312 FWL	GAS	1/31/2017
795 F1	025-23029	Federal 4037	8N-59E-8 NE NE	486 FNL, 492 FEL	GAS	9/30/2013
795 F1	025-21559	Federal 456	8N-59E-9 SW NE	2332 FNL, 1864 FEL	GAS	4/30/2001
795 F1	025-21530	Federal 452	8N-59E-10 SE NW	1494 FNL, 1384 FWL	GAS	10/31/2016
795 F1	025-22359	Federal 2473	8N-59E-10 NE NE	553 FNL, 652 FEL	GAS	10/31/2016
795 F1	025-22651	Federal 2558	8N-59E-11 NW NW	1312 FNL, 1252 FWL	GAS	5/31/2012
795 F1	025-21771	Federal 2087	8N-59E-14 SW SW	1081 FSL, 958 FWL	GAS	11/30/2017
795 F1	025-22762	Federal 2762	8N-59E-24 SW SW	116 FSL, 1278 FWL	GAS	11/30/2016
795 F1	025-22764	Federal 2793	8N-59E-25 SW NE	2189 FNL, 1790 FEL	GAS	11/30/2016
795 F1	025-22934	Federal 2939	9N-58E-24 SE SW	640 FSL, 1983 FWL	GAS	7/31/2013
795 F1	105-21161	Federal 2706-1	30N-36E-27 NW SE SE	1017 FSL, 1014 FEL	GAS	8/31/2017
795 F1	105-21491	Federal 3506-2	30N-36E-35 NW SE	1428 FSL, 2008 FEL	GAS	8/31/2017
795 F1	105-21374	Federal 1807-2	30N-37E-18 NW NW	881 FNL, 878 FWL	GAS	8/31/2017
795 F1	071-23251	Federal 2412-3	31N-32E-24 SW NE	1370 FNL, 1342 FEL	GAS	7/31/2017
795 F1	071-22559	Federal 1713-3	31N-33E-17 SE SW	1150 FSL, 1416 FWL	GAS	7/31/2017
795 F1	071-22623	Federal 1713-2	31N-33E-17 NE SE	1619 FSL, 1186 FEL	GAS	7/31/2017
795 F1	071-23007	Federal 2721-3	32N-31E-27 SE NE	1617 FNL, 981 FEL	GAS	2/29/2016
795 F1	071-22232	FEDERAL 3621-2	32N-31E-36 NE NW	139 FNL, 2651 FEL	GAS	3/31/2015
795 F1	071-06350	Federal 822	32N-32E-17 C NW	1320 FNL, 1320 FWL	GAS	10/31/2015
795 F1	071-06310	Federal 874	32N-32E-22 C NW	1320 FNL, 1320 FWL	GAS	10/31/2015
795 F1	071-60014	Federal 909	32N-32E-35 NW SE NW	1400 FNL, 1400 FWL	GAS	10/31/2015
795 F1	071-06328	Federal 825	32N-33E-30 NE	1320 FNL, 1320 FEL	GAS	10/31/2015
795 F1	071-23132	Federal 0331-2	33N-31E-3 SW NE	2049 FNL, 1781 FEL	GAS	-----
795 F1	071-21601	FEDERAL 2531-1	33N-31E-25 SW NE SW	1650 FSL, 1550 FWL	GAS	7/31/2015
795 F1	071-22234	Hancock-Federal 32-2	33N-34E-32 SW NE	1980 FNL, 1980 FEL	GAS	12/31/2015
795 F1	071-22236	Federal 33-2	33N-34E-33 SW SW	660 FSL, 660 FWL	GAS	5/31/2014
795 F1	071-21468	FEDERAL 1241-1	34N-31E-12 NW SE NW	1650 FNL, 1640 FWL	GAS	7/31/2015
795 F1	071-22057	INDIAN 2241-2	34N-31E-22 C SE NE	1980 FNL, 660 FEL	GAS	7/31/2015
795 F1	071-22625	Federal 2741-3	34N-31E-27 SW NE	1462 FNL, 1571 FEL	GAS	2/28/2005
795 F1	071-22069	FEDERAL 0542-2	34N-32E-5 C SW SW	660 FSL, 660 FWL	GAS	7/31/2015
795 F1	071-22637	Federal 0942-3	34N-32E-9 SW NE	1530 FNL, 1458 FEL	GAS	5/31/2015
795 F1	071-21469	Federal 1842-1	34N-32E-18 SE NW NW	1219 FNL, 1176 FWL	GAS	7/31/2015
795 F1	071-23134	Federal 1842-3	34N-32E-18 NE NE	1012 FNL, 1054 FEL	GAS	-----
795 F1	071-23135	Federal 1842-5	34N-32E-18 NE SW	1541 FSL, 1828 FWL	GAS	-----
795 F1	071-22667	Federal 2242-3	34N-32E-22 SE SE	690 FSL, 806 FEL	GAS	9/30/2016
795 F1	071-21357	FEDERAL 2642-1	34N-32E-26 NW SE NW	1650 FNL, 1960 FWL	GAS	9/30/2013
795 F1	071-21437	Federal 0351-1	35N-31E-3 NW SE NW	1735 FNL, 1650 FWL	GAS	7/31/2017
795 F1	071-22051	Federal 0351-2	35N-31E-3 NE SW SE	1243 FSL, 1340 FEL	GAS	7/31/2015
795 F1	071-21869	Federal 0451-2	35N-31E-4 NW SE	1574 FSL, 1509 FEL	GAS	1/31/2015
795 F1	071-21975	Federal 0551-4	35N-31E-5 NE SW	1800 FSL, 1800 FWL	GAS	5/31/2010
795 F1	071-23100	Federal 1051-2	35N-31E-10 SE NE	1581 FNL, 715 FEL	GAS	7/31/2015
795 F1	071-22214	Federal 1351-2	35N-31E-13 SE SE	720 FSL, 965 FEL	GAS	3/31/2009
795 F1	071-21462	Federal 1351-1	35N-31E-13 NW SE NW	1650 FNL, 1650 FWL	GAS	7/31/2013
795 F1	071-22248	Federal 1451-4	35N-31E-14 SE NE	1951 FNL, 669 FEL	GAS	5/31/2015
795 F1	071-22249	Federal 1551-2	35N-31E-15 SE SW	711 FSL, 2023 FWL	GAS	1/31/2014

795 F1	071-22258	Federal 1551-3	35N-31E-15	SE NE	2001 FNL, 703 FEL	GAS	7/31/2015
795 F1	071-21471	FEDERAL 2351-1	35N-31E-23	NW SE NW	1480 FNL, 1650 FWL	GAS	7/31/2015
795 F1	071-22133	Federal 2751-7	35N-31E-27	NW SE	2417 FSL, 2451 FEL	GAS	12/31/2016
795 F1	071-22639	Federal 3351-3	35N-31E-33	SE SE	1027 FSL, 1160 FEL	GAS	11/30/2016
795 F1	071-22640	Federal 3351-4	35N-31E-33	NW SW	1534 FSL, 991 FWL	GAS	10/31/2016
795 F1	071-22348	Federal 0652-2-34	35N-32E-6	SW SE	1071 FSL, 1637 FEL	GAS	3/31/2011
795 F1	071-21895	Federal 0852-2	35N-32E-8	NE SW SE	1255 FSL, 1364 FEL	GAS	6/30/2013
795 F1	071-21925	Federal 0952-2	35N-32E-9	NE SW NE	1756 FNL, 1551 FEL	GAS	3/31/2015
795 F1	071-21897	Federal 1852-2	35N-32E-18	NE SW SE	1179 FSL, 1971 FEL	GAS	9/30/2014
795 F1	071-22173	Federal 1852-3	35N-32E-18	SE SW	622 FSL, 1402 FWL	GAS	7/31/2014
795 F1	071-21597	Federal 3352-1	35N-32E-33	NE NW SW	1980 FSL, 990 FWL	GAS	1/31/2011
795 F1	071-22374	FEDERAL 1260-4	36N-30E-12	SW SW	926 FSL, 1137 FWL	GAS	10/31/2011
795 F1	071-21884	Federal 1560-2	36N-30E-15	SE SE	1204 FSL, 1225 FEL	GAS	5/31/2015
795 F1	071-23137	Federal 1860-3	36N-30E-18	SE NE	1848 FNL, 990 FEL	GAS	10/31/2011
795 F1	071-22792	Federal 2360-3	36N-30E-23	NE SW	1653 FSL, 1711 FWL	GAS	5/31/2014
795 F1	071-21315	Federal 2560-1	36N-30E-25	NW SE NW	1400 FNL, 1650 FWL	GAS	5/31/2013
795 F1	071-22174	Federal 0861-7	36N-31E-8	NW SE	2532 FSL, 1929 FEL	GAS	8/31/2015
795 F1	071-22351	Federal 1361-3-13	36N-31E-13	NW SW	1980 FSL, 661 FWL	GAS	10/31/2011
795 F1	071-21581	FEDERAL 1961-1	36N-31E-19	SW NE NE	990 FNL, 1320 FEL	GAS	7/31/2015
795 F1	071-22375	Federal 2061-4	36N-31E-20	SW SW	765 FSL, 874 FWL	GAS	9/30/2015
795 F1	071-23032	Loring 1194 2261-3	36N-31E-22	SE NE	1980 FNL, 1005 FEL	GAS	5/31/2015
795 F1	071-23033	Loring 1194 2261-4	36N-31E-22	NE SW	2207 FSL, 2528 FWL	GAS	4/30/2012
795 F1	071-22223	FEDERAL 2261-2	36N-31E-22	SE SE	878 FSL, 806 FEL	GAS	4/30/2015
795 F1	071-23034	Loring 3077 2361-3	36N-31E-23	SE NE	1616 FNL, 992 FEL	GAS	7/31/2015
795 F1	071-22224	FEDERAL 2361-2	36N-31E-23	SW SW	789 FSL, 728 FWL	GAS	11/30/2015
795 F1	071-23036	Federal 2561-2	36N-31E-25	NE NE	1146 FNL, 1041 FEL	GAS	1/31/2017
795 F1	071-21351	FEDERAL 2561-1	36N-31E-25	NW SE NW	1650 FNL, 1740 FWL	GAS	7/31/2015
795 F1	071-23038	Federal 2561-4	36N-31E-25	SW SE	1037 FSL, 1734 FEL	GAS	7/31/2015
795 F1	071-23040	Federal 2761-4	36N-31E-27	SW SW	1110 FSL, 1235 FWL	GAS	11/30/2012
795 F1	071-23039	Federal 2761-3	36N-31E-27	SE NE	1672 FNL, 997 FEL	GAS	9/30/2012
795 F1	071-21893	FEDERAL 2761-2	36N-31E-27	SW NE SE	1458 FSL, 1187 FEL	GAS	7/31/2015
795 F1	071-21583	FEDERAL 2761-1	36N-31E-27	SE NW NW	1200 FNL, 990 FWL	GAS	11/30/2012
795 F1	071-21578	Federal 2861-1	36N-31E-28	S2 N2 NW	990 FNL, 1320 FWL	GAS	7/31/2015
795 F1	071-23106	Federal 2961-2	36N-31E-29	NW NE	816 FNL, 1486 FEL	GAS	7/31/2015
795 F1	071-21580	FEDERAL 3061-1	36N-31E-30	SW NE NE	1165 FNL, 990 FEL	GAS	7/31/2015
795 F1	071-22143	FEDERAL 3461-3	36N-31E-34	SE SE	855 FSL, 751 FEL	GAS	10/31/2016
795 F1	071-21835	FEDERAL 0562-2	36N-32E-5	SE NE	825 FNL, 1284 FEL	GAS	2/28/2003
795 F1	071-21842	Federal 2-0762	36N-32E-7	SW NE NE	667 FNL, 1119 FEL	GAS	5/31/2016
795 F1	071-22357	Federal 1762-4-43	36N-32E-17	NE SE	1927 FSL, 781 FEL	GAS	12/31/2016
795 F1	071-22356	Federal 1762-3-23	36N-32E-17	NE SW	1546 FSL, 1559 FWL	GAS	10/31/2011
795 F1	071-22587	Federal 2062-1	36N-32E-20	NE NE	748 FNL, 1260 FEL	GAS	5/31/2017
795 F1	071-22588	Federal 2162-4	36N-32E-21	SW NW	1546 FNL, 1027 FWL	GAS	2/28/2017
795 F1	071-22882	Federal 0170-4	37N-30E-1	NE	1009 FNL, 1373 FEL	GAS	7/31/2017
795 F1	071-21964	Federal 0570-2	37N-30E-5	NW SW	1538 FSL, 1030 FWL	GAS	1/31/2018
795 F1	071-22026	Federal 0870-3	37N-30E-8	SW NE NE	942 FNL, 1190 FEL	GAS	9/30/2017
795 F1	071-22384	Federal 2670-5	37N-30E-26	SE SE	1089 FSL, 1248 FEL	GAS	10/31/2017
795 F1	071-21451	Federal 3270-1	37N-30E-32	SE NW	1545 FNL, 2000 FWL	GAS	4/30/2015
795 F1	071-22332	Federal 3071-3-11	37N-31E-30	NW	1214 FNL, 1022 FWL	GAS	12/31/2017
795 F1	071-21551	Federal 3071-1	37N-31E-30	SE NE SW	1820 FSL, 2175 FWL	GAS	4/30/2016
795 F1	071-21527	LaRoche-Harrison 1-32	37N-31E-32	S2 NE SW	1575 FSL, 1985 FWL	GAS	9/30/2011
795/M1 Multiple Well Bond			Last Non-Zero				
795 M1	083-23028	Lisa 22-23H	22N-57E-22	NW SW	1373 FSL, 300 FWL	OIL	3/31/2015
795 M1	085-21231	Detienne 1-18	29N-59E-18	SE SE	920 FSL, 708 FEL	OIL	5/31/2017
795 M1	085-21262	Detienne 1-19	29N-59E-19	SE NE	1780 FNL, 660 FEL	OIL	12/31/2010
795 M1	085-21240	Detienne 1-20	29N-59E-20	NW NW	720 FNL, 580 FWL	OIL	11/30/2017
795 M1	025-21627	Fee 492	5N-61E-7	NE NW	1274 FNL, 1385 FWL	MON	5/31/2007
795 M1	025-21321	State 445	6N-60E-16	NE SE	1340 FSL, 1240 FEL	MON	5/31/2006
795 M1	025-22623	Fee-BR 44-7	10N-58E-7	SW SE	468 FSL, 1814 FEL	MON	9/30/2012
795 M1	025-22741	Fee-BR 2788	4N-61E-1	NW	651 FNL, 611 FWL	GAS	12/31/2016
795 M1	025-21947	BR 2163	4N-61E-1	SE SW	1288 FSL, 1542 FWL	GAS	5/31/2012

795 M1	025-22074	BR 2255	5N-60E-13	SE NE	2588 FNL, 306 FEL	GAS	5/31/2012
795 M1	025-22377	Fee-BR 2476	7N-60E-29	SE NW	1927 FNL, 2156 FWL	GAS	10/31/2016
795 M1	025-21570	Fee 465	9N-58E-23	NE NW	1162 FNL, 1417 FWL	GAS	7/31/2015
795 M1	025-22015	BR 2176	9N-59E-19	SW SW	755 FSL, 739 FWL	GAS	-----
795 M1	025-22016	BR 2177	9N-59E-29	SW SW	787 FSL, 1203 FWL	GAS	-----
795 M1	025-22643	State BR 22-16	10N-58E-16	SE NW	2062 FNL, 1896 FWL	GAS	12/31/2016
795 M1	105-21156	Fee 1306-1	30N-36E-13	NW SE	1789 FSL, 1463 FEL	GAS	8/31/2017
795 M1	105-21157	Fee 2306-1	30N-36E-23	SE SE	1190 FSL, 990 FEL	GAS	9/30/2017
795 M1	105-21145	Kuki 2406-1	30N-36E-24	W2 SE NW	1980 FNL, 1767 FWL	GAS	1/31/2007
795 M1	105-21489	Fee 2606-2	30N-36E-26	NW NE	724 FNL, 1398 FEL	GAS	8/31/2017
795 M1	105-21054	Fee 2606-1	30N-36E-26	NW SE NW	1650 FNL, 1650 FWL	GAS	8/31/2017
795 M1	105-21144	Fee 3406-1	30N-36E-34	NW NE SW	2088 FSL, 1960 FWL	GAS	8/31/2017
795 M1	071-22634	State 1613-4	31N-33E-16	NE SW	1889 FSL, 1412 FWL	GAS	1/31/2018
795 M1	071-21911	Fee 1521-2	32N-31E-15	E2 NE	1319 FNL, 1000 FEL	GAS	12/31/2017
795 M1	071-21425	Bowman 2-7	32N-35E-7	NW SE NW	1630 FNL, 1630 FWL	GAS	9/30/1998
795 M1	071-21426	Bowman 1-8	32N-35E-8	SW NE SE	1420 FSL, 1152 FEL	GAS	7/31/2016
795 M1	071-21621	Fisher 1-20	32N-35E-20	SE NW SE	1519 FSL, 1493 FEL	GAS	-----
795 M1	071-22664	Fee 1733-2	33N-33E-17	SW NE	1575 FNL, 1548 FEL	GAS	-----
795 M1	071-21732	Hancock 1-32	33N-34E-32	SE SE	990 FSL, 1044 FEL	GAS	12/31/2015
795 M1	071-22612	Fee 2342-3	34N-32E-23	SW NE	1413 FNL, 1353 FEL	GAS	-----
795 M1	071-22645	Fee 2342-4	34N-32E-23	SW SE	1286 FSL, 1483 FEL	GAS	-----
795 M1	071-21460	Fee 0551-1	35N-31E-5	NE SW NE	1650 FNL, 1750 FEL	GAS	2/28/2007
795 M1	071-21974	Fee 0551-3	35N-31E-5	NW SE	2100 FSL, 1980 FEL	GAS	9/30/2010
795 M1	071-22182	State 3651-8	35N-31E-36	NW SW	2035 FSL, 827 FWL	GAS	1/31/2017
795 M1	071-22179	State 3651-5	35N-31E-36	NW NW	689 FNL, 725 FWL	GAS	1/31/2017
795 M1	071-21164	State 1652-2	35N-32E-16	NE SW SW	990 FSL, 990 FWL	GAS	8/31/1995
795 M1	071-21916	L. Harrison 2-17 1752-2	35N-32E-17	NE SW NW	1350 FNL, 990 FWL	GAS	8/31/1998
795 M1	071-21154	Archie Dunbar 1752-1	35N-32E-17	NE SW SW	990 FSL, 990 FWL	GAS	5/31/1998
795 M1	071-21150	A. Dunbar 1852-1	35N-32E-18	SW NE NW	990 FNL, 1650 FWL	GAS	9/30/2000
795 M1	071-22154	Well 1952-4	35N-32E-19	NW NE	984 FNL, 1747 FEL	GAS	7/31/1999
795 M1	071-21915	Well 1952-3	35N-32E-19	SE NW SW	1498 FSL, 1300 FWL	GAS	9/30/2014
795 M1	071-21145	Archie Dunbar 1952-1	35N-32E-19	SE NW NW	1090 FNL, 990 FWL	GAS	12/31/2001
795 M1	071-22168	Well 2152-2	35N-32E-21	NW NW	1036 FNL, 699 FWL	GAS	8/31/1999
795 M1	071-21156	Fee 3452-1	35N-32E-34	SE NW NW	990 FNL, 990 FWL	GAS	12/31/2015
795 M1	071-21160	D. Dahlman 3552-1	35N-32E-35	SW NE SW	1650 FSL, 1650 FWL	GAS	-----
795 M1	071-21888	WELL 0260-2	36N-30E-2	SW NE SE	1645 FSL, 1264 FEL	GAS	12/31/2016
795 M1	071-23027	Fee 0360-5	36N-30E-3	NW SW	1986 FSL, 972 FWL	GAS	10/31/2016
795 M1	071-23123	Fee 0360-6	36N-30E-3	NE SE	1567 FSL, 1304 FEL	GAS	7/31/2014
795 M1	071-21722	Haugness 1-29	36N-30E-29	NE SW SE	1240 FSL, 1685 FEL	GAS	-----
795 M1	071-22289	Anderson 11-1	36N-31E-1	NW	932 FNL, 1221 FWL	GAS	5/31/2015
795 M1	071-21818	Anderson 0161-2	36N-31E-1	SE NE	1010 FNL, 1018 FEL	GAS	12/31/2003
795 M1	071-22165	Fee 0861-6	36N-31E-8	SE NE	2624 FNL, 791 FEL	GAS	6/30/2003
795 M1	071-22171	Fee 0861-8	36N-31E-8	SE SW	672 FSL, 2231 FWL	GAS	9/30/2015
795 M1	071-22077	Well 1261-3	36N-31E-12	SE NE NW	817 FNL, 2005 FWL	GAS	4/30/2010
795 M1	071-21813	Murdock 2-1261	36N-31E-12	SW NE NE	990 FNL, 990 FEL	GAS	4/30/2010
795 M1	071-23125	Fee 1461-4	36N-31E-14	NW SW	2106 FSL, 682 FWL	GAS	11/30/2016
795 M1	071-22910	State 1661-2	36N-31E-16	NE NE	1175 FNL, 1248 FEL	GAS	9/30/2016
795 M1	071-22160	FEE 3361-3	36N-31E-33	NW SW	2060 FSL, 762 FWL	GAS	7/31/2015
795 M1	071-22157	FEE 3361-2	36N-31E-33	NE SE	1980 FSL, 660 FEL	GAS	6/30/2011
795 M1	071-23045	State 3661-4	36N-31E-36	NE SW	1357 FSL, 2156 FWL	GAS	7/31/2015
795 M1	071-23044	State 3661-3	36N-31E-36	SE SE	892 FSL, 1075 FEL	GAS	11/30/2014
795 M1	071-21325	Fee 3661-1	36N-31E-36	NW SE NW	1650 FNL, 1650 FWL	GAS	7/31/2015
795 M1	071-23197	Fee 0562-3	36N-32E-5	NW NW	1140 FNL, 932 FWL	GAS	5/31/2008
795 M1	071-22388	Murdock 1762-2-42	36N-32E-17	SE NE	1470 FNL, 1315 FEL	GAS	5/31/2017
795 M1	071-22422	Murdock 1762-1A-21	36N-32E-17	NW NW	1236 FNL, 1180 FWL	GAS	6/30/2012
795 M1	071-21458	FEE 0770-1	37N-30E-7	SE SE NW	2080 FNL, 1990 FWL	GAS	-----
795 M1	071-23003	State 1670-7	37N-30E-16	SW NW	2325 FNL, 803 FWL	GAS	8/31/2017
795 M1	071-22310	Fee 2670-4	37N-30E-26	NW SW	1889 FSL, 673 FWL	GAS	4/30/2017
795 M1	071-23005	Loring 2670-6	37N-30E-26	SE SW	936 FSL, 2579 FWL	GAS	10/31/2017
795 M1	071-22035	Fee 2670-3	37N-30E-26	SW NW	1377 FNL, 990 FWL	GAS	10/31/2017
795 M1	071-23189	Fee 2770-5	37N-30E-27	SE SE	632 FSL, 670 FEL	GAS	5/31/2015

795 M1	071-22592	Fee 2870-3	37N-30E-28	NW SW	1651 FSL, 1292 FWL	GAS	3/31/2017
795 M1	071-21947	Fee 2970-2	37N-30E-29	SE SE	904 FSL, 875 FEL	GAS	3/31/2017
795 M1	071-21493	Fee 3470-1	37N-30E-34	N2 NW SE	2140 FSL, 1980 FEL	GAS	6/30/2016
795 M1	071-21860	State 3670-2	37N-30E-36	SE SE	1212 FSL, 1196 FEL	GAS	12/31/1998
795 M1	071-23130	State 1671-3	37N-31E-16	SE NE	1560 FNL, 979 FEL	GAS	5/31/2009
795 M1	071-23131	State 1671-4	37N-31E-16	SE SE	1098 FSL, 1155 FEL	GAS	6/30/2009
795 M1	071-22291	LaRoche Harrison 21-28	37N-31E-28	NE NW	1059 FNL, 1939 FWL	GAS	8/31/2017
795 M1	071-22295	LaRoche-Harrison 22-32A	37N-31E-32	SE NW	1400 FNL, 1845 FWL	GAS	8/31/2017

1 Operator(s) Included in Report

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

7/21/2020 Through 9/21/2020

Exhibit 3

Approved

Bue, Herbert Reed Point MT	338 D1	Approved Amount: Purpose:	9/3/2020 \$5,000.00 Domestic Well Bond ACT
Certificate of Deposit	\$5,000.00 FIRST INTERSTATE BANK		
Running Foxes Petroleum, Inc. Centennial CO	873 G1	Approved Amount: Purpose:	8/17/2020 \$5,000.00 Single Well Bond ACT
Certificate of Deposit	\$5,000.00 FIRST INTERSTATE BANK		
Running Foxes Petroleum, Inc. Centennial CO	873 G2	Approved Amount: Purpose:	8/17/2020 \$5,000.00 Single Well Bond ACT
Certificate of Deposit	\$5,000.00 FIRST INTERSTATE BANK		
Sage Creek Colony Chester MT	6662 D1	Approved Amount: Purpose:	7/28/2020 \$10,000.00 Domestic Well Bond ACT
Certificate of Deposit	\$10,000.00 FIRST STATE BANK OF SHELBY		
Three Forks Resources, LLC Wheat Ridge CO	593 U1	Approved Amount: Purpose:	9/2/2020 \$45,000.00 UIC Limited Bond ACT
Surety Bond	\$45,000.00 GREAT AMERICAN INSURANCE CO.		
Well Done Montana LLC Bozeman MT	854 G8	Approved Amount: Purpose:	8/10/2020 \$1,500.00 Single Well Bond ACT
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		

Bond Increase

Tomahawk Oil Company, Inc. Roundup MT	7620 M1	Bond Increase Amount: Purpose:	8/24/2020 \$50,000.00 Multiple Well Bond ACT
Letter of Credit	\$50,000.00 1ST SECURITY BANK, ROUNDUP		

Canceled

Aikins Drilling Company Mohave Valley AZ	120 B1	Canceled Amount: Purpose:	8/18/2020 \$25,000.00 Blanket Bond
Epyon Oil, Inc. Billings MT	719 G1	Canceled Amount: Purpose:	8/24/2020 \$10,000.00 Single Well Bond
Intermountain Leasing, Inc. Billings MT	318 G1	Canceled Amount: Purpose:	7/30/2020 \$5,000.00 Single Well Bond

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

7/21/2020 Through 9/21/2020

Released

Sage Creek Colony Chester MT	6662 W1	Released Amount: Purpose:	7/28/2020 \$5,000.00 Domestic Well Bond
Sage Creek Colony Chester MT	6662 G6	Released Amount: Purpose:	7/28/2020 \$5,000.00 Single Well Bond
Sage Creek Colony Chester MT	6662 G3	Released Amount: Purpose:	7/28/2020 \$5,000.00 Single Well Bond
Tomahawk Oil Company, Inc. Roundup MT	7620 G1	Released Amount: Purpose:	8/24/2020 \$10,000.00 Single Well Bond
Tomahawk Oil Company, Inc. Roundup MT	7620 G2	Released Amount: Purpose:	8/24/2020 \$10,000.00 Single Well Bond

Incident Report

Exhibit 4

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Synergy Offshore LLC	BOG	8/1/2020	Spill or Release	112 Barrels	148 Barrels	Tank or Tank Battery	No	48.69510	-112.32287	Glacier	34N-6W-24 NENE
Union Oil Company Of California	BOG	8/3/2020	Spill or Release	112 Barrels	148 Barrels	Tank or Tank Battery	Yes	48.58274	-112.24655	Glacier	33N-5W-27 SESW
Denbury Onshore, LLC	BOG	8/3/2020	Spill or Release		1275	Flow Line - Injection	No	46.31948	-104.22643	Fallon	7N-60E-32
Legacy Reserves Operating LP	BOG	8/8/2020	Spill or Release		60 Barrels	Pump Failure	Yes	48.68836	-104.07583	Sheridan	34N-58E-24 SWNW
Legacy Reserves Operating LP	BOG	8/8/2020	Spill or Release		60 Barrels	Pump Failure	Yes	48.68836	-104.07583	Sheridan	34N-58E-24 SWNW
Denbury Onshore, LLC	BOG	8/15/2020	Fire			Other	No	46.15639	-104.14301	Fallon	5N-60E-25 NWSE
Burlington Resources Oil & Gas Company	BOG	8/26/2020	Fire			Flare Pit	No	47.80677	-104.82712	Richland	24N-54E-29 SWSW
Denbury Onshore, LLC	OTR	8/28/2020	Fire			Other	No	46.30457	-104.20123	Fallon	6N-60E-4 SENE
Denbury Onshore, LLC	BOG	8/29/2020	Spill or Release		75 Barrels	Pump Failure	Yes	46.69612	-104.51357	Wibaux	11N-57E-23 NENW
Landtech Enterprises, LLC	BOG	9/2/2020	Spill or Release	122 Barrels		Tank or Tank Battery	Yes	47.85977	-104.28470	Richland	24N-58E-9 NENW
Denbury Onshore, LLC	BOG	9/9/2020	Fire			Other	No	46.36434	-104.24126	Fallon	7N-60E-18 SENE
Denbury Onshore, LLC	BOG	9/9/2020	Spill or Release		50 Barrels	Flow Line - Injection	No	46.36111	104.15278	Fallon	7N-60E-13 SWNW
Denbury Onshore, LLC	BOG	9/14/2020	Spill or Release		10 Barrels	Flow Line - Injection	No	45.08950	-105.14361	Powder River	9S-54E-6 NENE
Denbury Onshore, LLC	BOG	9/16/2020	Spill or Release	2 Barrels		Flow Line - Production	No	46.76640	-104.58353	Wibaux	12N-57E-29 SWNW

Docket Summary

42-2020	Poplar Resources LLC	Designate East Poplar Unit Area as a tertiary recovery project effective 7/1/20.		28N-52E-06 described as Lots 1, 2, 3, 4; 4, 5, 6, 7 matches unit boundary. 28N-51E-10 NE excluded from unit initially; added? Lands in 29N-50E-22 - exclude from project?	<input type="checkbox"/>
43-2020	Cline Production Company	Approval of the Raymond-Coffee Tyler Unit / Waterflood, 12N-32E-25: S2N2, S2, 26: SE, 35: NE, waive spacing requirements except 220' setback to unit boundaries, authorize additional wells, delineate filed with notice under 36.22.601 waived.		Field - Rattler Butte or Wildcat Rosebud, N?	<input type="checkbox"/>
44-2020	Cline Production Company	Convert the Coffee 16-26 well to an enhanced recovery injection well, Tyler A Sand Formation, 12N-32E-26: SESE, API #087-21651. Aquifer exemption requested.			<input type="checkbox"/>
45-2020	Prima Exploration, Inc.	Amend Order 108-2019 (Authorized the drilling of up to four horizontal wells with a common pad in temporary spacing unit, Bakken/Three Forks Formation, 25N-58E-13: all, 24: all, 200' heel/toe setbacks, 500' lateral. Apply for permanent spacing within 90 days of successful completion.) Amend that operations must commence by 12/5/2021.			<input type="checkbox"/>
46-2020	Prima Exploration, Inc.	Amend Order 109-2019 (Authorize the drilling of up to four horizontal wells with a common pad in temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-18: all, 19: all, 200' heel/toe setbacks, 500' lateral. Apply for permanent spacing within 90 days of successful completion.) Amend that operations must commence by 12/5/2021.			<input type="checkbox"/>
47-2020	Lonewolf Operating, LLC	Temporary spacing unit, Sawtooth Formation test well, T35N-R21E-31: E½E½SW¼SE¼, W½SE¼SE¼, W½E½SE¼SE¼, 330' setbacks. Apply for permanent spacing upon successful completion.	Withdrawn	Application withdrawn, email received 9/15/20.	<input type="checkbox"/>
48-2020	Lonewolf Operating, LLC	Temporary spacing unit, Sawtooth Formation test well, T35N-R21E-32: E½NE¼SW¼, W½NW¼SE¼, 330' setbacks. Apply for permanent spacing upon successful completion.	Withdrawn	Application withdrawn, email received 9/15/20.	<input type="checkbox"/>
49-2020	Three Forks Resources, 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 in Liberty and Toole Counties, Montana, identified in the application from Croft Petroleum Co. to Three Forks Resources, LLC and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>
50-2020	Diamond Halo Group, LLC	Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the assumption of the plugging and reclamation responsibilities for the orphaned Gartner Denowh 31-7H, API # 25-083-21846, located in the NW¼NE¼ of Section 7, T23N-59E, Richland County, Montana by Diamond Halo Group, LLC, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>

9-2020	Kraken Oil & Gas LLC	Permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-15: all, 22: all (Mulder 22-15 #1H, Mulder 22-15 #2H, Mulder 22-15 #3H, and Mulder 22-15 #4H).	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
10-2020	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-15: all, 22: all (Mulder 22-15 #1H, Mulder 22-15 #2H, Mulder 22-15 #3H, and Mulder 22-15 #4H). Non-consent penalties requested.	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
12-2020	Kraken Oil & Gas LLC	Permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-12: all, 13: all (Lonestar 12-13 #1H and Lonestar 12-13 #2H).	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
13-2020	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-12: all, 13: all (Lonestar 12-13 #1H and Lonestar 12-13 #2H). Non-consent penalties requested.	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
14-2020	Kraken Oil & Gas LLC	Amend Order 316-2014, authorize the drilling of up to three horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit, Bakken/Three Forks Formation, 25N-59E-23: all, 24: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order.	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
15-2020	Kraken Oil & Gas LLC	Amend Order 210-2014 and 320-2014, authorize the drilling of up to four horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit, Bakken/Three Forks Formation, 24N-59E-2: all, 11: all, 14: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order.	<i>Application continued to the August hearing, email received 4/15/20.</i>	<input type="checkbox"/>
51-2020	Roland Oil and Gas	Show Cause: why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the August 6, 2020, public hearing.		<input type="checkbox"/>
52-2020	Zeiders Bros. Oil & Gas Company, L.L.C.	Show Cause: why it should not immediately plug and abandon its Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE¼NE¼ of Section 5, T22N-R47E, McCone County, Montana before the October 1, 2020, public hearing and pay the outstanding fine in the amount of \$10,500, as required by Board Order 3-2020.		<input type="checkbox"/>
53-2020	Alta Vista Oil Corporation	Show Cause: failure to pay administrative fees assessed for delinquent reporting.		<input type="checkbox"/>
54-2020	ANG Holding (USA) Corp.	Show Cause: failure to file production reports and pay administrative fees.		<input type="checkbox"/>
55-2020	BBX Operating Co. LLC	Show Cause: failure to pay administrative fees assessed for delinquent reporting.		<input type="checkbox"/>

56-2020	Drawings, LLC	Show Cause: failure to file production reports and pay administrative fees.	<input type="checkbox"/>
57-2020	Hawley Hydrocarbons, Merrill&Carol Hawley Db	Show Cause: failure to file production and injection reports and pay administrative fees.	<input type="checkbox"/>
58-2020	Hawley Oil Company	Show Cause: failure to file production and injection reports and pay administrative fees.	<input type="checkbox"/>
59-2020	Hawley-Northrup	Show Cause: failure to file production reports and pay administrative fees.	<input type="checkbox"/>
128-2019	Carrell Oil Company Db	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Fifer 3 (API # 25-069-05141) enhanced oil recovery well.	<input type="checkbox"/>
		<i>If CHOP approved, change operator to Cat Creek Holdings</i>	
41-2020	Shadwell Resources Group, LLC	Show cause: why Administrative Order 3-A-2020 issued at the June 24, 2020, business meeting should not remain in effect for the Velma SWD 1-10H well, API # 25-083-22531, located in the NW¼NW¼ of Section 10, T23N-R58E, Richland County, Montana. It was ordered that Shadwell Resources Group, LLC 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. Shadwell is subject to a \$250 fine for each day after August 24, 2020, that the violations remain unresolved.	<input type="checkbox"/>

GAS FLARING

September 30, 2020

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Continental	1	1	0	1	1
Kraken	12	6	6	6	7
Petro-Hunt	2	0	2	0	0
Totals	15	7	8	7	8

Flaring Requests

Summary

There are 15 wells flaring over 100 MCFG per day based on current production numbers.

8 of the 15 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 7 exceptions requested at this time.

Continental

Revere 1-31H – API #25-083-22953, 27N-53E-31

1. Flaring 120 MCF/D.
2. Completed: 2/2013.
3. Estimated gas reserves: 258 MMCF.
4. Proximity to market: Connected to pipeline
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 8 MCF/D.
7. Justification to flare: Unable to sell due to H2S. Currently uneconomic to treat H2S and insufficient capacity issues at Grasslands Plant. It is estimated that it would create a loss of \$3.16/MCF to treat and sell gas at current prices.

Kraken

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

1. Flaring 258 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 480 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.

Taylor LW 14-23 #1H – API #25-083-23368, 25N-58E-11

1. Flaring 604 MCF/D.
2. Completed: 3/2020.
3. Estimated gas reserves: 605 MMCF.
4. Flaring alternatives: Kraken has installed a mobile NGL recovery unit on this well which processed 206 mcf/day of gas in June. Kraken also is working with a third party to use the gas to generate power in a Digital Flare Mitigation project. Once the project is operational, an additional 80-120 MCF/day will be used
5. Amount of gas used in lease operations: 7 MCF/D.
6. Justification to flare: This well would be routed to the ORM Yellowstone Compressor Station, however, that station is currently at full capacity.

Taylor 14-23 #2H – API #25-083-23369, 25N-58E-11

1. Flaring 583 MCF/D.
2. Completed: 3/2020.
3. Estimated gas reserves: 608 MMCF.
4. Flaring alternatives: Kraken has installed a mobile NGL recovery unit on this well which processed 215 mcf/day of gas in June. Kraken also is working with a third party to use the gas to generate power in a Digital Flare Mitigation project. Once the project is operational, an additional 80-120 MCF/day will be used
5. Amount of gas used in lease operations: 7 MCF/D.
6. Justification to flare: This well would be routed to the ORM Yellowstone Compressor Station, however, that station is currently at full capacity.

Taylor 14-23 #3H – API #25-083-23370, 25N-58E-11

1. Flaring 565 MCF/D.
2. Completed: 3/2020.
3. Estimated gas reserves: 598 MMCF.
4. Flaring alternatives: Kraken has installed a mobile NGL recovery unit on this well which processed 194 mcf/day of gas in June. Kraken also is working with a third party to use the gas to generate power in a Digital Flare Mitigation project. Once the project is operational, an additional 80-120 MCF/day will be used
5. Amount of gas used in lease operations: 7 MCF/D.
6. Justification to flare: This well would be routed to the ORM Yellowstone Compressor Station, however, that station is currently at full capacity.

Taylor 14-23 #4H – API #25-083-23371, 25N-58E-11

1. Flaring 474 MCF/D.
2. Completed: 3/2020.
3. Estimated gas reserves: 582 MMCF.
4. Flaring alternatives: Kraken has installed a mobile NGL recovery unit on this well which processed 164 mcf/day of gas in June. Kraken also is working with a third party to use the gas to generate power in a Digital Flare Mitigation project. Once the project is operational, an additional 80-120 MCF/day will be used
5. Amount of gas used in lease operations: 7 MCF/D.
6. Justification to flare: This well would be routed to the ORM Yellowstone Compressor Station, however, that station is currently at full capacity.

Taylor 14-23 #5H – API #25-083-23372, 25N-58E-11

1. Flaring 634 MCF/D.
2. Completed: 3/2020.
3. Estimated gas reserves: 637 MMCF.
4. Flaring alternatives: Kraken has installed a mobile NGL recovery unit on this well which processed 222 mcf/day of gas in June. Kraken also is working with a third party to use the gas to generate power in a Digital Flare Mitigation project. Once the project is operational, an additional 80-120 MCF/day will be used
5. Amount of gas used in lease operations: 7 MCF/D.
6. Justification to flare: This well would be routed to the ORM Yellowstone Compressor Station, however, that station is currently at full capacity.

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Exhibit 7

August 26, 2020

Montana Board of Oil and Gas Conservation
DNRC Headquarters
1539 11th AVE
Helena, MT 59601

TO MONTANA BOARD OF OIL AND GAS CONSERVATION
RE: Lance Benson Bond Revocation

I, Lyndon Scheveck, am writing in representation of Lance Edward Benson regarding his bond revocation. Mr. Benson objects to this revocation and it's terms. Mr. Benson has already provided appropriate written notice pursuant to Administrative Rules of Montana Rule 36.

Please contact me if you are left with any questions. Office hours are from 8:00 am to 5:00 pm, Monday-Friday. You can reach me by phone at 406-894-2121, email at lyndon@schevecklaw.com or regular mail at 2223 Montana Ave, Suite 103, Billings, MT 59101.

Thank you,

Lyndon Scheveck
Partner
Scheveck & Salminen Law Firm, PLLC

LS/dg

RECEIVED

SEP - 8 2020

MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BENSUN ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BEGIN TO PLUG AND ABANDON OR TRANSFER ITS WELLS. THE FAILURE TO DO SO, 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.

ORDER 26-2020

Docket No. 113-2019

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. The notice of this hearing was delivered by certified mail to Bensun Energy, LLC (Bensun Energy) on June 9, 2020.

3. Mr. Benson contacted staff prior to the hearing to request a continuance due to a personal health issue and Covid-19. Mr. Benson is not an attorney.

4. No legal counsel or witness appeared at or called in to the hearing on behalf of Bensun Energy. The potential purchaser, Diamond Halo Group, LLC (Diamond Halo), also did not appear or call in for this docket.

5. Board Order 77-2019 issued at the August 15, 2019, hearing required that Bensun Energy either begin to plug and abandon its wells or transfer its wells to another operator by the October 10, 2019, public hearing.

6. Christy Strevey, CEO of Diamond Halo appeared at the Board's October 10, 2019, hearing and testified that the sale of the Bensun Energy wells to Deep River Petroleum, LLC and Diamond Halo would be finalized in 30 days. Board Order 91-2019 continued the matter to the December 5, 2019, hearing.

7. Board Order 125-2019 issued at the December hearing required that Diamond Halo appear at the February 13, 2020, hearing to present the change of operator request.

8. On December 5, 2019, a change of operator request transferring all Bensun Energy wells to Diamond Halo was received, along with a letter from Stockman Bank stating that a release of Bensun Energy's bonds would be necessary for the bank to transfer the bonds from Bensun Energy to Diamond Halo.

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9. Also on December 5, 2019, an email was received from Christy Strevey asking if a well could be excluded from the transfer. Since all Bensun Energy wells are covered by a limited multiple well bond, all wells would have to be included in the transfer or additional bonding would be necessary to cover any excluded wells.

10. Mr. Benson appeared at the February 13, 2020, hearing with a change of operator request transferring only the Gartner Denowh 31-7H well from Bensun Energy to Diamond Halo. Diamond Halo provided no plugging and reclamation bond and Diamond Halo Group, LLC was not registered with the Secretary of State.

11. Board Order 7-2020 issued at the February 13, 2020, hearing directed Bensun Energy to submit a revised change of operator request for the wells to be transferred to Diamond Halo, and that Diamond Halo submit plugging and reclamation bonds for the acquired wells by the April 30, 2020, hearing. The order further stated that failure to provide the change of operator request and appropriate bonding by that date could result in forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

12. Due to concerns related to Covid-19, all show-cause or administrative dockets scheduled for April were continued to the June hearing.

13. No change of operator request or plugging and reclamation bond or bonds were received either prior to the original April 30, 2020, deadline established in Order 7-2020 or prior to this hearing.

14. Board staff has had no contact from Diamond Halo since the February hearing.

15. 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

1. The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

2. The Board concludes that the respondent was properly notified of the hearing, per the requirements of § 82-11-141, MCA.

3. The Board concludes that the respondent failed to provide the change of operator request or to plug and abandon its wells, as required by Board Order 77-2019, allowing the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

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Order

IT IS THEREFORE ORDERED by the Board that the plugging and reclamation bond for Bensun Energy, LLC is hereby forfeited.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2020.

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