

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

IN THE MATTER OF THE APPLICATION OF POPLAR RESOURCES LLC FOR AN ORDER CERTIFYING THE EAST POPLAR UNIT AREA, ROOSEVELT COUNTY, MONTANA, AS A TERTIARY RECOVERY PROJECT EFFECTIVE AS OF JULY 1, 2020, AND TO CERTIFY THE PRODUCTION DECLINE RATES USED TO CALCULATE INCREMENTAL PRODUCTION IN THE PROJECT AREA, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 42-2020
APPLICATION

POPLAR RESOURCES LLC, 420 Throckmorton Street, Suite 200, Fort Worth, Texas 76102:

[A] Presents the following application:

1. Applicant is the Unit Operator of the East Poplar Unit located in Roosevelt County, Montana, and is the operator of all production and injection wells proposed for certification as a tertiary recovery project.
2. The East Poplar Unit was approved for secondary recovery pursuant to Montana Board of Oil and Gas Conservation ("MBOGC") Order No. 5-60.
3. The lands within the East Poplar Unit comprising the proposed tertiary recovery project area are as follows:

Township 28 North, Range 51 East, M.P.M.

Section 1: All
Section 2: All
Section 3: All
Section 4: Lots 1, 2, 3, 4, S/2NW/4, S/2NE/4, NE/4SW/4, SE/4
Section 9: NE/4, NE/4SE/4
Section 10: All
Section 11: All
Section 12: W/2, N/2NE/4, SW/4NE/4
Section 13: W/2
Section 14: All
Section 15: NE/4, NE/4NW/4, E/2SE/4
Section 22: E/2NE/4, NE/4SE/4
Section 23: All
Section 24: NW/4, NW/4SW/4

Township 28 North, Range 52 East, M.P.M.

Section 6: Lots 1, 2, 3, 4

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Township 29 North, Range 50 East, M.P.M.

Section 11: SE/4SE/4
Section 12: S/2
Section 13: All
Section 14: E/2NE/4, NE/4SE/4
Section 22: E/2, E/2NW/4, SW/4NE/4, SW/4
Section 24: NE/4NW/4, E/2
Section 25: E/2E/2, NW/4NE/4
Section 36: E/2E/2

Township 29 North, Range 51 East, M.P.M.

Section 7: Lots 3, 4, E/2SW/4, SE/4
Section 8: S/2SW/4
Section 16: SW/4NW/4, SW/4, SW/4SE/4
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: NW/4NW/4, S/2NW/4, SW/4, NW/4SE/4, S/2SE/4
Section 26: W/2W/2
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: W/2NW/2

4. To qualify as a tertiary recovery project, Applicant plans to commence a gas oil gravity flood by injecting immiscible gas through converted injection wells, prepare additional wells for injection, alter injection well patterns and bring on-line additional producing wells.

5. The producing formation in the proposed tertiary recovery project is the Madison Formation as referenced in MBOGC Order No. 34-55.

6. Applicant will submit to the MBOGC actual production histories and industry standard engineering analyses of decline rates for the proposed tertiary recovery project area. Said data, together with the appropriate certification fees, will be delivered in a timely manner to the MBOGC under separate cover.

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[B] Requests:

1. This matter be set for hearing at the MBOGC hearings to be conducted October 1, 2020, with notice given as required by law and the MOU; and

2. After hearing the matter, the MBOGC enter its order (i) certifying the East Poplar Unit as described in Paragraph [A] 3, above, to be a tertiary recovery project effective as of July 1, 2020; (ii) determining and certifying to the Montana Department of Revenue the production forecast for the tertiary operations within the East Poplar Unit such that all incremental production from the tertiary recovery project can be calculated and qualify for all applicable tax incentives and reductions; and (iii) such other and further relief as the MBOGC may deem appropriate.

DATED this 24th day of June, 2020.

POPLAR RESOURCES LLC

By

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

Email: jlee@crowleyfleck.com

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

**IN THE MATTER OF THE
APPLICATION OF CLINE
PRODUCTION COMPANY FOR AN
ORDER PROVIDING FOR THE
OPERATION AS A UNIT AN AREA TO
BE KNOWN AS THE RAYMOND-
COFFEE TYLER UNIT; APPROVING OR
PRESCRIBING A PLAN OF UNIT
OPERATIONS THEREFORE;
APPROVING A UNIT AGREEMENT AND
UNIT OPERATING AGREEMENT FOR
THE UNIT OPERATION THEREOF;
AUTHORIZING THE CONDUCTING OF
A WATERFLOOD INJECTION
PROGRAM (SECONDARY RECOVERY)
IN THE PROPOSED UNIT AREA; AND
VACATING EXISTING SPACING
ORDERS RELATED THERETO.**

APPLICATION

DOCKET NO. 43 - 2020

Cline Production Company ("Applicant"), P.O. Box 20736, Billings, Montana 59104, presents the following Application:

1. Applicant is the owner of oil and gas leasehold interests underlying sixty percent (60%) of the surface within the proposed Unit Area set forth and described hereafter.
2. Applicant is the owner and operator of the Raymond 25-2 Tyler Formation oil well located within and upon the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 12 North, Range 32 East, MPM, Rosebud County.
3. SDOCO LLC ("SDOCO"), operates the Coffee 16-26 well located within and upon the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, Township 12 North, Range 32 East, MPM, Rosebud County.
4. Applicant and SDOCO have formulated a proposed plan and agreement for the operation as a secondary recovery unit the Tyler Formation underlying the lands in Rosebud County set forth and described hereafter:

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Township 12 North, Range 32 East, MPM

Section 25: S½N½, S½

Section 26: SE¼

Section 35: NE¼

Containing 800.00 acres, more or less

The above lands are herein referred to as the proposed "Unit Area".

5. All oil and gas leasehold working interest owners in and to the proposed Unit and Unit Area have consented to the formation of the proposed Raymond-Coffee Tyler Unit, said parties representing one hundred percent (100%) of the cost bearing interest owners.
6. All oil and gas leasehold working interest owners in and to the proposed Unit and Unit Area have designated Cline Production Company as the Unit Operator of and for the proposed Raymond-Coffee Tyler Unit.
7. On July 28, 2020, Applicant did, by certified mail, notify all royalty (non-cost bearing) owners of Applicant's intention to make this Application, as evidenced by the Affidavit of Mailing attached hereto as Exhibit "A".
8. The proposed Unit Agreement and Unit Operating Agreement are being prepared and formulated for the purpose of the cooperative development and operation of the proposed Unit and Unit Area, including the conducting of repressuring operations through waterflooding. In this respect, Applicant represents that:
 - (a) The proposed Unit is in the public interest and will increase ultimate recovery and prevent waste of oil from the Tyler Formation underlying the proposed Unit Area;
 - (b) Unit operations are reasonably necessary to increase the ultimate recovery of oil from the Tyler Formation;
 - (c) The value of the economics to be affected by unit operations exceeds the estimated additional costs incident to conducting the unit operations;
 - (d) The full aerial extent of the pool has been reasonably defined and determined by drilling operations; and
 - (e) Such unit operations will cause no damage to any existing or presently producible oil and gas reservoirs or fresh water reservoirs.

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9. Upon obtaining an Order from this Board approving or providing for unit operations, and as soon as practicable after the Unit Agreement becomes effective, Applicant proposes to initiate and conduct repressuring operations by waterflooding the Unit Area and the Tyler Formation thereunder, and Applicant requests this Board's approval for a waterflood project on that basis.
10. A subsequent Application, in full compliance with Board Rule 36.22.1403, will be filed with this Board requesting authorization and approval to convert the foregoing Coffee 16-26 well from an oil well to a water injection well.
11. Applicant represents there are no other operators of drilling or producing wells within a one-half ($\frac{1}{2}$) mile radius of the proposed Coffee 16-26 injection well, or the Raymond 25-2 producing well.
12. Applicant requests the Board Order applied for herein approve generally the utilization of other wells in the Unit Area as additional input wells for water injection without further notice or hearing; provided, however, that prior to so utilizing any such additional well or wells, or injecting water therein, the Applicant in each instance shall submit notice of intention accordingly to the Board and shall obtain administrative authorization therefore.
13. This Application is made pursuant to the provisions of Sections 82-11-204 through and including 82-11-207, MCA.

WHEREFORE, Applicant requests this matter be set for hearing and notice thereof be given as required by law and that upon the evidence produced and submitted at such hearing this Board enter its Order providing as follows:

- (a) Approving the Raymond-Coffee Tyler Unit as proposed in this Application;
- (b) Approving the plan for unit operations for the operation of said Unit or in the alternative, prescribing a plan of operation therefore pursuant to and in accordance with the provisions of Sections 82-11-204 through and including 82-11-207, MCA;
- (c) Approving the Unit Agreement and Unit Operating Agreement for the Raymond-Coffee Tyler Unit as submitted;
- (d) Granting approval of and authorizing the conducting of a waterflood injection program (secondary recovery) in and to the Raymond-Coffee Tyler Unit Area as set forth in this Application;

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- (e) Granting approval for the Applicant to drill and/or utilize additional injection wells as necessary to operate the proposed Unit, without further notice and hearing, but subject to the administrative authorization by this Board of such additional injection wells within the Unit Area;
- (f) Granting approval for the Applicant to drill and/or utilize additional water source wells as may be necessary, without further notice and hearing, but subject to the administrative authorization by this Board for such additional water source wells;
- (g) Vacating existing well location rules within the Unit Area and granting approval for the Applicant to drill additional producing wells as may be necessary, but not closer than two hundred twenty feet (220') to the boundaries of the Unit Area, without further notice and hearing but subject to the administrative authorization by this Board for such additional production wells;
- (h) Delineating the Unit Area as a field for notice purposes under Board Rule 36.22.601(1)(a) and (b); and
- (i) For such other provisions as the Board may find to be necessary and appropriate.

Dated July 29, 2020.

LEE LAW OFFICE PC

By: 

Don R. Lee, Attorney for Applicant
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Email: don@leelawofficepc.com

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CLASS II INJECTION PERMIT APPLICATION

Cline Production Company

PO Box 20736

Billings, MT 59104

- a) Cline Production Company requests to convert the Coffee 16-26 well to injection. The well is located at T12N, R32E, Sec 26: SESE in Musselshell County, MT.
- b) Please see attachment A.
 - a. Coffee 1-35. This well was a dry hole and Plugged and Abandoned in July of 1984.
- c) Please see attachment B.
- d) Coffee 1-35: This well was a dry hole that never produced.
- e) Please see attachment C for water analysis of Tyler "A" formation.

The Tyler "A" formation from 5337-5342' consists of very fine-grained to coarse-grained sandstone with interbedded shale and siltstone. The estimated formation pressure is 445 psi calculated from most recent fluid level.
- f) The Tyler "A" in the Coffee 16-26 has a top of 5,330' KB (3143' above sea level).
- g) Log on file with the Board of Oil and Gas Conservation.
- h) The Coffee 16-26 has 5-1/2" 15.5# casing set at 5,373' with 250 sx "G" cement. The 8-5/8" 24# surface casing is set at 250' with 200 sx "G" cement.
- i) The Coffee 16-26 will be used to flood the new Raymond Coffee Tyler Sand Unit. The East Rattler Butte 31-16 will be the source well for the flood. A water analysis for the 31-16 is included in attachment D.
- j) Owners
 - a. Great Plains Resources
8925 S Ridgeline Blvd #108
Highlands Ranch, CO 80129
 - b. Whitco Petroleum L.P.
PO Drawer J
Leoti, KS 67861
 - c. ALFCO Inc.
PO Box 1430
Prescott, AZ 86302
 - d. Apache Corporation
2000 Post Oak Blvd
Houston, TX 77056



A B Cline Jr.
President

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"A"

12N 32E

27

26

25

Tract #2
320 acres
Tract Participation
Factor = 40%
Great Plains Res.
Inc. et al 100%
HBP
FEE

Tract #1
480 acres
Tract Participation
Factor = 60%
Cline Production
Company 100%
HBP
FEE

Coffee 16-26

Coffee 1-35

36

35

Cline Production

Raymond-Coffee Tyler Unit

Exhibit "A"

Tract Outline Solid Lines

Unit Outline Dashed Lines



WELL SYMBOLS

- Oil Well
- Dry Hole
- ⊗ Injection Well
- △ Service Well
- ⊕ Plugged & Abandoned With Oil Show
- ⊙ Abandoned Well
- ⊖ Dry Hole, With Show of Oil
- ⊙ Abandoned Oil Well

REMARKS

Rosebud County, Montana

August 5, 2020 5:04 PM

PETRA M00020 200402 PM

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Injection Line "B"

Write a description for your map.

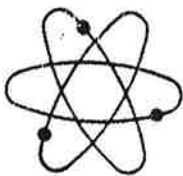
Legend

- Feature 1
- Injection Line



Google Earth

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Technology Laboratory, Inc.

Evanston, Wyoming
789-1157

Techni-Lab

Casper, Wyoming
266-4683

WATER ANALYSIS REPORT

*Central File
Rattle Butte
Raymond 25-2*

Company: Conoco, Inc.
Attention: Mr. Ron Hilton
State:
Field: Rattle Butte
Lease:
Sample Point:

Date Received: 8/20/84
Date Sampled: 8/15/84
County:
Formation:
Well number: Raymond 25-2
Lab Number: 2709-7

DISSOLVED SOLIDS

CATIONS

	mg/L
Sodium, Na	7045
Potassium, K	46
Calcium, Ca	152
Magnesium, Mg	29

ANIONS

Sulfate, SO ₄	7240
Chloride, Cl	4257
Carbonate, CO ₃	72
Bicarbonate, HCO ₃	1474

Total dissolved solids 19567

OTHER PROPERTIES

pH 8.54
Resistivity (ohm-meters) 68F .48

$$.48 @ 68^{\circ} = \pm .24 @ 140^{\circ}$$

WATER PATTERN - me/l

LOGARITHMIC

Na		*				*		Cl
Ca			*		*			HCO ₃
Mg				*		*		SO ₄
Fe				*	*			CO ₃

REMARKS & RECOMMENDATIONS:

Iron = 0.27 mg/l

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Pat Doxat
TECHNOLOGY LABORATORY, INC.



ENERGY LABORATORIES, INC.

P.O. BOX 30916 • 1120 SOUTH 27TH STREET • BILLINGS, MT 59107-0916 • PHONE (406) 252-6325
FAX (406) 252-6069 • 1-800-735-4489 • E-MAIL eli@energylab.com

Company : Tyler Oil Co.	Date : 04/20/99
Field : East Rattler Butte	Location :
County :	Formation : 3rd Cat Creek
Lab ID : 99-51386	
Comment : Tan supernatant; with a clear, tan filtrate.	
WSW 31-13A State, Lot 7 of Sec. 31 12 N 33 E	
Description :	

Energy Laboratories, Inc. Water Analysis Report

CATIONS	mg/l	meq/l	ANIONS	mg/l	meq/l
Potassium	8.0	0.20	Sulfate	253.0	5.27
Sodium	798.0	34.71	Chloride	454.0	12.81
Calcium	97.0	4.84	Carbonate	0.0	0.00
Magnesium	12.0	0.99	Bicarbonate	1,370.0	22.46
Iron	nd	nd	Hydroxide	0.0	0.00
Barium	nd	nd	-	-	-
Strontium	nd	nd	-	-	-
SUM +	915.0	40.74	SUM -	2,077.0	40.54

Solids

Total Dissolved Solids	2,290 mg/l
Total Solids, NaCl equivalents	1,955 mg/l
Chloride as NaCl	749 mg/l

Sample Conditions

pH, s.u.	6.90 s.u.
Ionic Strength	0.05 μ
Accuracy	-0.27 Sigma

Other Properties

Calcium Hardness as CaCO_3	242.2 mg/l	Specific Gravity	N/A measured
Magnesium Hardness as CaCO_3	49.8 mg/l	Specific Gravity	1.002 calculated
Total Hardness as CaCO_3	292.0 mg/l	Resistivity, 68 F	3.012 ohm meter

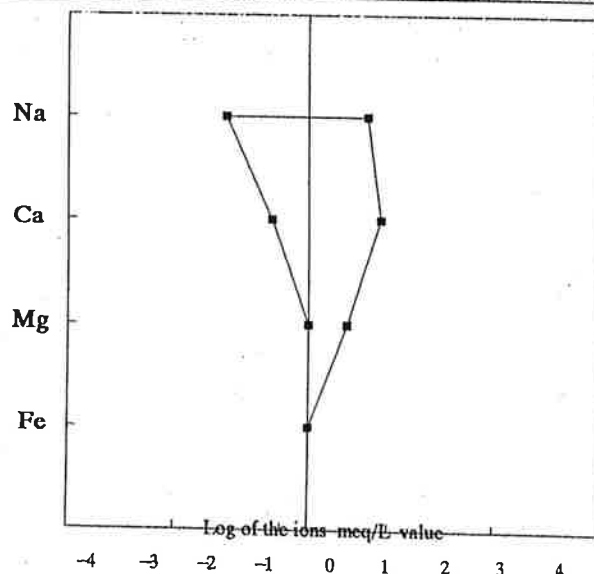
Microbiological

Sulfate Reducing Bacteria	nd
---------------------------	----

Scaling Conditions

CaCO_3 : +	CaSO_4 : -
BaSO_4 : -	SrSO_4 : -

Water Analysis Pattern



Probable Mineral Residue, Dry

Compound	mg/l
NaHCO ₃	1,397
NaCl	748
Na ₂ SO ₄	435
Ca(HCO ₃) ₂	392
Mg(HCO ₃) ₂	72

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04/20/99

NOTE: nd indicates not determined

v5.25© Michael D. Carney

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

IN THE MATTER OF THE APPLICATION OF PRIMA EXPLORATION, INC. FOR AN ORDER AMENDING MBOGC ORDER NO. 108-2019, WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS WITHIN THE TEMPORARY SPACING UNIT ("TSU") COMPRISED OF ALL OF SECTIONS 13 AND 24, TOWNSHIP 25 NORTH, RANGE 58 EAST, M.P.M., RICHLAND COUNTY, MONTANA, 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. 45-2020

APPLICATION

PRIMA EXPLORATION, INC., 250 Fillmore Street, Suite 500, Denver, Colorado 80206:

[A] Presents the following application:

1. Applicant is an interest owner and operator within all or portions of Sections 13 and 24, Township 25 North, Range 58 East, M.P.M., Richland County, Montana, which tracts comprise a TSU for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 380-2011.
2. MBOGC Order No. 108-2019 authorized Applicant to drill up to four horizontal Bakken/Three Forks formation wells within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, the TSU comprised of All of Sections 13 and 24, Township 25 North, Range 58 East, M.P.M., but required that such operations be commenced within one year of December 5, 2019.
3. Due to prolonged depressed market conditions and concomitant constraints on Applicant's drilling budget, drilling operations on the subject TSU cannot be commenced prior to December 5, 2020, thus Applicant seeks a 1-year extension of the drilling requirement set forth in MBOGC Order No. 108-2019 to December 5, 2021.

[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. 108-2019 to authorize the drilling of up to four horizontal Bakken/Three Forks formation wells anywhere within the TSU comprised of All of Sections 13 and 24, Township 25 North, Range 58 East, M.P.M., 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 not later than December 5, 2021.

DATED this 31st day of July, 2020.

PRIMA EXPLORATION, INC.

By _____

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

Email: jlee@crowleyfleck.com

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

IN THE MATTER OF THE APPLICATION OF PRIMA EXPLORATION, INC. FOR AN ORDER AMENDING MBOGC ORDER NO. 109-2019, WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS WITHIN THE TEMPORARY SPACING UNIT ("TSU") COMPRISED OF ALL OF SECTIONS 18 AND 19, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, 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. 46-2020

APPLICATION

PRIMA EXPLORATION, INC., 250 Fillmore Street, Suite 500, Denver, Colorado 80206:

[A] Presents the following application:

1. Applicant is an interest owner and operator within all or portions of Sections 18 and 19, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, which tracts comprise a TSU for horizontal Bakken/Three Forks formation production pursuant to MBOGC Order No. 380-2011.
2. MBOGC Order No. 109-2019 authorized Applicant to drill up to four horizontal Bakken/Three Forks formation wells within, but not closer than 200' (heel/toe setback)/500' (lateral setback) to the exterior boundaries of, the TSU comprised of All of Sections 18 and 19, Township 25 North, Range 59 East, M.P.M., but required that such operations be commenced within one year of December 5, 2019.
3. Due to prolonged depressed market conditions and concomitant constraints on Applicant's drilling budget, drilling operations on the subject TSU cannot be commenced prior to December 5, 2020, thus Applicant seeks a 1-year extension of the drilling requirement set forth in MBOGC Order No. 109-2019 to December 5, 2021.

[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. 109-2019 to authorize the drilling of up to four horizontal Bakken/Three Forks formation wells anywhere within the TSU comprised of All of Sections 18 and 19, Township 25 North, Range 59 East, M.P.M., 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 not later than December 5, 2021.

DATED this 31st day of July, 2020.

PRIMA EXPLORATION, INC.

By _____

John R. Lee, Its Attorney

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P.O. Box 2529

Billings, MT 59103-2529

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

IN THE MATTER OF THE APPLICATION OF LONEWOLF OPERATING, LLC FOR AN ORDER DESIGNATING THE E½E½SW¼SE¼, W¼SE¼SE¼ AND W¼E½SE¼SE¼ OF SECTION 31, TOWNSHIP 35 NORTH, RANGE 21 EAST, BLAINE COUNTY, AS A TEMPORARY SPACING UNIT AND AUTHORIZING THE DRILLING OF A SAWTOOTH FORMATION EXPLORATORY WELL AT A LOCATION NOT LESS THAN 330 FEET FROM THE EXTERIOR BOUNDARIES OF THE REQUESTED TEMPORARY SPACING UNIT.	APPLICATION DOCKET NO. <u>47</u> - 2020
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Lonewolf Operating, LLC ("Applicant"), P.O. Box 81026, Billings, Montana 59108-1026, presents the following Application:

1. Applicant is the owner and operator of oil and gas leasehold interests in, to and under the SE¼SE¼ of Section 31, Township 35 North, Range 21 East, Blaine County.
2. Applicant desires to drill its Firemoon Pike #16-31 well at an approximate location 1,105' FEL and 964' FSL of Section 31, said proposed wellsite location lying within and upon the SE¼SE¼ of Section 31.
3. If authorized, the proposed well will be drilled to an approximate depth of four thousand four hundred feet (4,400') to the Sawtooth Formation to test for the presence of oil.
4. The Sawtooth Formation underlying the SE¼SE¼ of Section 31 is presently subject to temporary spacing established by ARM 36.22.702(1, 2 & 7) which provides, in part, that "... no oil well with a projected depth of 6,000 feet or less shall be located closer than 330 feet to any legal subdivision line, and only one well shall be permitted to produce from the same reservoir within the same legal subdivision."
5. Based upon an approximate location 1,116' FEL and 947' FSL from the exterior boundaries of Section 31, the proposed location is not in conformity with ARM 36.22.702(1, 2 & 7).
6. The proposed wellsite location is based upon geophysical data and information and the interpretation thereof and said location in Applicant's opinion is the optimum location for a successful oil well.
7. Because of the location of Applicant's proposed exploratory well and to protect the correlative rights of interested parties, Applicant requests the E½E½SW¼SE¼, W¼SE¼SE¼ and W¼E½SE¼SE¼ of Section 31, Township 35 North, Range 21 East, comprising forty acres, be

designated by this Board as a temporary spacing unit for said well and oil produced from the Sawtooth Formation.

8. Applicant requests authorization and approval from this Board to drill and produce the above well as an exception to ARM 36.22.702(1, 2 & 7).
9. Applicant believes the requested temporary spacing unit is necessary in order to adequately and efficiently increase the ultimate recovery of Sawtooth Formation oil from the foregoing lands.
10. 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 interest of prevention of waste and conservation of oil.
11. Should the proposed well be drilled and completed as a well capable of commercial production of oil, Applicant will apply for an Order designating and delineating a permanent spacing unit for production of Sawtooth Formation oil therefrom.

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 this Board enter its Order granting and approving the request of Applicant herein; and
3. For such other or additional relief as this Board may deem appropriate.

Dated August 25, 2020.

LEE LAW OFFICE PC

By: 

Don R. Lee, Attorney for Applicant
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Shelby, MT 59474
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Facsimile: (406) 434-5246
Email: don@leelawofficepc.com

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

**IN THE MATTER OF THE APPLICATION
OF LONEWOLF OPERATING, LLC FOR AN
ORDER DESIGNATING THE E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$
AND W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 32,
TOWNSHIP 35 NORTH, RANGE 21 EAST,
BLAINE COUNTY, AS A TEMPORARY
SPACING UNIT AND AUTHORIZING THE
DRILLING OF A SAWTOOTH FORMATION
EXPLORATORY WELL AT A LOCATION
NOT LESS THAN 330 FEET FROM THE
EXTERIOR BOUNDARIES OF THE
REQUESTED TEMPORARY SPACING UNIT.**

APPLICATION

DOCKET NO. 49 - 2020

Lonewolf Operating, LLC ("Applicant"), P.O. Box 81026, Billings, Montana 59108-1026, presents the following Application:

1. Applicant is the owner and operator of oil and gas leasehold interests in, to and under the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 35 North, Range 21 East, Blaine County.
2. Applicant desires to drill its Firemoon #11-32 well at an approximate location 2,598' FWL and 2,285' FSL of Section 32, said proposed wellsite location lying within and upon the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32.
3. If authorized, the proposed well will be drilled to an approximate depth of four thousand four hundred feet (4,400') to the Sawtooth Formation to test for the presence of oil.
4. The Sawtooth Formation underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32 is presently subject to temporary spacing established by ARM 36.22.702(1, 2 & 7) which provides, in part, that "... no oil well with a projected depth of 6,000 feet or less shall be located closer than 330 feet to any legal subdivision line, and only one well shall be permitted to produce from the same reservoir within the same legal subdivision."
5. Based upon an approximate location 2,598' FWL and 2,285' FSL from the exterior boundaries of Section 32, the proposed location is not in conformity with ARM 36.22.702(1, 2 & 7).
6. The proposed wellsite location is based upon geophysical data and information and the interpretation thereof and said location in Applicant's opinion is the optimum location for a successful oil well.
7. Because of the location of Applicant's proposed exploratory well and to protect the correlative rights of interested parties, Applicant requests the E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 35 North, Range 21 East, comprising forty acres, be designated by this Board as a temporary spacing unit for said well and oil produced from the Sawtooth Formation.

8. Applicant requests authorization and approval from this Board to drill and produce the above well as an exception to ARM 36.22.702(1, 2 & 7).
9. Applicant believes the requested temporary spacing unit is necessary in order to adequately and efficiently increase the ultimate recovery of Sawtooth Formation oil from the foregoing lands.
10. 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 interest of prevention of waste and conservation of oil.
11. Should the proposed well be drilled and completed as a well capable of commercial production of oil, Applicant will apply for an Order designating and delineating a permanent spacing unit for production of Sawtooth Formation oil therefrom.

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 this Board enter its Order granting and approving the request of Applicant herein; and
3. For such other or additional relief as this Board may deem appropriate.

Dated August 25, 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

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA



August 31, 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 Croft Petroleum Co. 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 5 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 October 1, 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: Croft Petroleum Co.
Don Lee, Lee Law Office PC

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

FORM NO. 20 R 10/09

SUBMIT IN QUADRUPPLICATE TO

ARM 36.22.307
36.22.1308

MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102

Notice of Intent to Change Operator

The undersigned Transferor hereby notifies the Board of Oil and Gas Conservation of
its intention to transfer ownership and/or operation of the following wells to the undersigned Transferee:

Lease Name:

See Exhibit "A" attached hereto

Lease type: (Private, State, Federal, Indian)

Private & State

County:

Toole & Liberty

Field name:

See Exhibit "A" attached hereto

Description of wells: Include API well number, well name and number, and exact location of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type. (Federal, Indian, Private, State) Attach additional sheets as necessary.

See Exhibit "A" attached hereto and by this reference incorporated herein for all purposes.

Number of Wells to be Transferred:

14

Effective Date of Transfer:

Transferor's Statement:

I hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and all associated equipment and facilities until such time as this transfer is approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:

Transferee's Statement:

I hereby accept the designation of operator/owner for the above described well(s). I understand that this transfer will not be approved until the Transferee has complied with the Board's bonding requirements. I acknowledge that under Section 82-11-101 MCA, the Transferee herein is responsible for the costs of proper plugging and restoration of the surface of the well(s) described above. I certify that the information contained herein is true and correct:

Company Croft Petroleum Co.

Street Address _____

P.O. Box P.O. Box 397City, State, ZIP Cut Bank, MT 59427

Signed _____

Print Name Jerry CroftTitle PresidentTelephone (406) 873-5547Date 8/27/2020Company Three Forks Resources, LLCStreet Address 4080 Youngfield Street

P.O. Box _____

City, State, ZIP Wheat Ridge, CO 80033

Signed _____

Print Name Scotty A. SmithTitle PresidentTelephone (303) 318-0717Date 8.26.2020

BOARD USE ONLY

Approved _____

Date _____

Name _____

Title _____

Oper. No. _____

Bond No. _____

Field Office Review _____

Date _____

Initial _____

Inspection _____

Records Review _____

Operations _____

Oper. No. _____

Bond No. _____

MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102**Notice of Intent to Change Operator**

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Lease type:(Private, State, Federal, Indian)

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Company Croft Petroleum Co.

Street Address _____

P.O. Box P.O. Box 397City, State, ZIP Cut Bank, MT 59427

Signed _____

Print Name Jerry CroftTitle PresidentTelephone (406) 873-5547

Date _____

Company Three Forks Resources, LLCStreet Address 4080 Youngfield Street

P.O. Box _____

City, State, ZIP Wheat Ridge, CO 80033Signed Scotty A. SmithPrint Name Scotty A. SmithTitle PresidentTelephone (303) 318-0717Date 8/26/20**BOARD USE ONLY**

Approved _____

Date _____

Name _____

Title _____

Oper. No. _____

Bond No. _____

Field Office Review _____

Date _____

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Operations _____

Oper. No. _____

Bond No. _____

EXHIBIT "A"

Attached to "Notice of Intent to Change Operator" dated August 26, 2020, by and between **CROFT PETROLEUM CO.**, Transferor, and **THREE FORKS RESOURCES, LLC**, Transferee.

Wells

1. State 34-16
API No. 25-101-23013
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16-T35N-R2E
330' FSL & 2,100' FEL
2. State 24-16
API No. 25-101-23012
N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T35N-R2E
330' FSL & 2,250' FWL
3. Gunderson 1-21X
API No. 25-101-22882
SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21-T35N-R2E
1,725' FSL & 990' FEL
4. Gunderson 2-21
API No. 25-101-22911
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21-T35N-R2E
2,310' FNL & 990' FEL
5. Gunderson 1-22
API No. 25-101-22985
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 22-T35N-R2E
1,065' FSL & 330' FWL
6. Gunderson 41-28
API No. 25-101-22930
NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 28-T35N-R2E
330' FNL & 330' FEL
7. Triple G Farms 4-21
API No. 25-101-23027
SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21-T35N-R2E
1,980' FNL & 1,980' FEL

8. State #1
API No. 25-101-21405
C SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
1,980' FNL & 1,980' FEL
9. State (1-16) 2
API No. 25-101-21446
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
990' FNL & 990' FEL
10. State #4
API No. 25-101-21712
NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
1,703' FNL & 1,703' FEL
11. State #5
API No. 25-101-21974
SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
990' FNL & 1,650' FEL
12. Northern Farms 10-10-1
API No. 25-051-60008
NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 10-T37N-R5E
1,830' FSL & 1,980' FEL
13. Bachmann 16-1
API No. 25-051-21482
NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 1-T36N-R6E
990' FSL & 990' FEL
14. Sanborn (1-0995-6) 1
API No. 25-051-21182
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 7-T36N-R7E
990' FNL & 990' FEL

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

August 31, 2020

Christy Strevey, President
Diamond Halo Group, LLC
PO Box 95
Grandview, TX 76050

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

Dear Ms. Strevey:

This letter is regarding the Notice of Intent to Change Operator request for Diamond Halo Group, LLC (Diamond Halo) to take over the Gartner Denowh 31-7H orphan well, API # 25-083-21846, that was submitted to the Board of Oil and Gas Conservation (Board).

Under Board direction and orphaned well policy, this request will be docketed for the October 1, 2020, public hearing. At that time, the Board will determine if Diamond Halo's proposed \$10,000 single well plugging and reclamation bond is adequate prior to the approval of the change of operator request.

An operator that intends to assume the plugging and restoration responsibility for an orphaned well must also demonstrate evidence of the legal right to utilize the well. This normally requires presentation of an active oil and gas lease or leases.

Should Diamond Halo or its attorney 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 Halvorson".

Jim Halvorson
Administrator / Petroleum Geologist

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ARM 36.22.307
36.22.1308

MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102

Notice of Intent to Change Operator

The undersigned Transferor hereby notifies the Board of Oil and Gas Conservation of
its intention to transfer ownership and/or operation of the following wells to the undersigned Transferee:

Lease Name:

Gartner-Denowh 31-7H

Lease type:(Private, State, Federal, Indian)

Private

County:

Richland

Field name:

Wildcat

Description of wells: Include API well number, well name and number, and exact location of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type . (Federal, Indian, Private, State) Attach additional sheets as necessary.

API 083-21846 Gartner-Denowh 31-7H NWNE SEC7, T23N, R59E Richland County Private

Number of Wells to be Transferred:

1

Effective Date of Transfer:

Transferor's Statement:

I hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and all associated equipment and facilities until such time as this transfer is approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:

Transferee's Statement:

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Company _____

Street Address _____

P.O. Box _____

City, State, ZIP _____

Signed _____

Print Name _____

Title _____

Telephone (_____) _____

Date _____

Company Diamond Halo Group, LLCStreet Address 5703 E FM 4P.O. Box 95City, State, ZIP Grandview, TX 76050Signed Christine StreveyPrint Name Christine StreveyTitle CFOTelephone (817) 233-6369Date 8-13-2020

BOARD USE ONLY

Approved _____

Date _____

Name _____

Title _____

Oper. No. _____

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