

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

IN THE MATTER OF LYON OIL COMPANY AND THE
JOE FEY 2R-34 WELL (API # 25-101-21079) LOCATED IN
TOWNSHIP 37 NORTH, RANGE 2 EAST, TOOLE
COUNTY, MONTANA.

ADMINISTRATIVE ORDER 7-A-2021

Lyon Oil Company (Lyon Oil) submitted a notice of intent to change operator request in May 2019 for the orphaned Joe Fey 2R-34 well, API # 25-101-21079, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, T37N-R2E, Toole County, Montana.

Lyon Oil submitted the proper bonding paperwork and organization report but is not registered with the Montana Secretary of State and the change of operator request has not been approved.

The Joe Fey 2R-34 well became orphaned in June 2017. The last production report received for this well was for July 2019 and this was submitted in April 2020. This report showed the well produced 50 barrels of oil in July 2019 and the reporting operator was listed as Mountain Pacific General, Inc. A field inspection performed on June 8, 2021 found that the well appeared to have been recently produced.

Certified letters identifying the outstanding compliance issues were sent in both February and May 2021, but Lyon Oil has not come into compliance.

IT IS THEREFORE ORDERED by the Board that Lyon Oil must register with the Montana Secretary of State and submit the delinquent production reports prior to the July 8, 2021, hearing application deadline. Should compliance not be achieved by that date, Lyon Oil will be ordered to show cause at the August 12, 2021, public hearing as to why additional penalties should not be considered for failure to comply with Board rules.

Dated this 9th day of June, 2021

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator