

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

IN THE MATTER OF THE APPLICATION OF
KRAKEN OIL & GAS LLC TO POOL ALL
INTERESTS IN THE PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 6 AND 7,
T25N-R59E, RICHLAND COUNTY, MONTANA,
FOR THE PRODUCTION OF OIL AND
ASSOCIATED NATURAL GAS FROM THE
BAKKEN/THREE FORKS FORMATION AND TO
AUTHORIZE THE RECOVERY OF NON-
CONSENT PENALTIES IN ACCORDANCE WITH
SECTION 82-11-202(2), M.C.A., WITH RESPECT
TO THE RKY CARDA 7-6 #2H, RKT CARDA 7-6
#3H, AND RKT CARDA 7-6 #4 WELLS.

Docket No. 77-2021

Order No. 74-2021

**APPLICATION FOR
REHEARING**

Pursuant to the provisions of Mont. Code Ann. § 82-11-143, Phoenix Capital Holdings, LLC (“Phoenix”), of 5601 S. Broadway, Ste. 240, Littleton, CO 80121, petitions the Board of Oil and Gas Conservation for a rehearing of the Application of Kraken Oil & Gas LLC (“Kraken”), Docket No. 77-2021, Order No. 74-2021. This petition is submitted for the following reasons.

1. Phoenix is a mineral interest holder in the properties encompassed by the permanent spacing unit at issue, and the wells subject to Kraken’s application.
2. Phoenix, or their counsel of record, were not provided actual notice of the hearing on this contested matter, in contravention of the provisions contained in ARM 1.3.212, as adopted by the Board of Oil and Gas Conservation in ARM 36.22.201 and 36.2.101. Phoenix is an interest holder in the spacing unit and Kraken had actual knowledge of Phoenix’s pending civil suit challenging Kraken’s presumption of non-participation, filed before Kraken’s present application.
3. Phoenix was not provided the opportunity to conduct discovery in this contested matter, in contravention of the provisions contained in ARM 1.3.217, as adopted by the Board of Oil and Gas Conservation in ARM 36.22.201 and 36.2.101. Phoenix is an interest holder in the spacing unit and Kraken had actual knowledge of Phoenix’s pending civil suit challenging Kraken’s presumption of non-participation.
4. Phoenix’s predecessor in interest did not receive “proper and sufficient notice,” that conforms to the provisions of § 82-11-202, MCA.
5. Kraken could not rely on a presumption of non-participation for any interest holder that was based on statutorily deficient notice that did not conform to the provisions of § 82-11-202(3)(a).

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6. Kraken could not offer, and the Board could not rely on hearsay evidence violating Montana's Rules of Evidence as applied by ARM 1.3.221 of a declaration of non-participation by Phoenix's predecessor in interest or their relatives.

7. Phoenix repeatedly asked Kraken for the opportunity to participate in the development of the subject wells before the application for pooling and recovery of non-consent penalties.

8. Kraken did not make a "good faith effort to acquire voluntary pooling of interests in the spacing unit as required by § 82-11-202(1)(b), Mont. Code Ann."

9. Kraken did not legally satisfy the requirements of § 82-11-101 for forced pooling and assessment of costs.

WHEREFORE, Phoenix requests the following relief:

1. That the Board grant rehearing of Docket No. 77-2021, Order No. 74-2021 to address the defects with the Board's decision and Order.
2. To schedule the rehearing for a time and date that provides Phoenix with the opportunity to conduct discovery in this contested matter, as provided in ARM 1.3.217.
3. For such other or additional relief as the Board may deem appropriate.

DATED this 29 day October, 2021.

PATTEN, PETERMAN, BEKKEDAHL &
GREEN, PLLC



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Billings, MT 59103-1293
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Email:

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**MONTANA BOARD OF OIL &
GAS CONSERVATION - BILLINGS**

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EXHIBIT 2

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CROWLEY FLECK
ATTORNEYS

JOHN R. LEE
P.O. Box 2529
Billings, MT 59103-2529
jlee@crowleyfleck.com
Direct Phone (406) 255-7252
Fax (406) 256-8526

November 30, 2021

HAND DELIVERED

Mr. Jim Halvorson, Administrator
Board of Oil & Gas Conservation
State of Montana
2535 St. Johns Avenue
Billings, Montana 59102-4693

Re: Kraken Oil & Gas LLC – Phoenix Capital Holdings, LLC Request for Rehearing Docket 77-2021
Our File No. 056160.000134

Dear Jim:

Kraken Oil & Gas LLC (“Kraken”) respectfully objects to the request of Phoenix Capital Holdings, LLC (“Phoenix”) to have the Board rehear Docket No. 77-2021. After hearing the matter on October 14, 2021, the Board properly issued its order force pooling all interests in the permanent spacing unit comprised of All of Sections 6 and 7, Township 25 North, Range 59 East, M.P.M., and imposing risk penalties on the mineral interest of Phoenix Capital Holdings, LLC.

Counsel for Phoenix sets out a laundry list of alleged deficiencies in the Board’s proceedings. I would note testimony established that notice of the hearing was properly given to all affected parties, including Phoenix, by Kraken in accordance with Section 82-11-141(4)(b), MCA. Also, testimony clearly established that Kraken fully complied with the requirements set forth in Section 82-11-202(2)(b), that Phoenix’s predecessor in interest, after written demand, failed or refused to pay her share of the costs of development or other operations, that risk penalties were properly imposed by the Board, and that Phoenix was bound by its predecessor’s decision. It was expressly determined by the Board that such relief was not based upon the presumption set forth in Section 82-11-202(3).

Counsel for Phoenix also complains that he was not provided the opportunity to conduct discovery prior to the hearing. This complaint rings hollow. In my 31 years of practicing before this Board, this is the *first* instance where opposing counsel didn’t extend to me the professional courtesy of simply picking up the phone and advising that he represented a party which intended to protest one of my applications. As most of the Board members know, I have always been receptive to continuing a matter upon the reasonable request of opposing counsel in an effort to resolve the dispute prior to hearing. Such a resolution may have been possible in this instance, but Mr. Snedigar chose to show up at the hearing without even making an attempt to contact me.

Finally, granting a rehearing contemplates that some material substantive fact(s), unknown to the parties at the time of the initial hearing, have come to light. It prevents protestants from having matters reheard simply because they don’t like the outcome from the first hearing. I would argue that Phoenix’s request for rehearing fails to allege any such new, unknown material facts – because there are no such facts. The request for rehearing should be denied.

BILLINGS BISMARCK BOZEMAN BUTTE CASPER CHEYENNE HELENA KALISPELL MISSOULA SHERIDAN WILLISTON

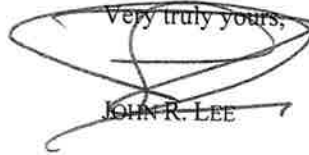
C R O W L E Y F L E C K , C O M

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**MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS**

Thank you for your consideration of Kraken's objection.

Very truly yours,

JOHN R. LEE

JRL:jrl

cc: Client (*via* Email)
Attorney Daniel Snedigar (*via* Email)

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

IN THE MATTER OF THE REQUEST OF REHEARING OF
KRAKEN OIL & GAS LLC DOCKET 77-2021 BY PHOENIX
CAPITAL HOLDINGS, LLC IN ACCORDANCE WITH
SECTION 82-11-143, M.C.A.

ADMINISTRATIVE ORDER 11-A-2021

At the Board's October 14, 2021, public hearing, the Board approved the application of Kraken Oil & Gas LLC's (Kraken) for pooling within a permanent spacing unit and imposition of risk penalties. At that hearing, Kraken demonstrated that the requirements of § 82-11-202 had been met. The Board issued Board Order 94-2021 providing for pooling and imposition of risk penalties for the RKT Carda 7-6 #2H, RKT Carda 7-6 #3H, and RKT Carda 7-6 #4H wells.

After that hearing, Phoenix Capital filed a rehearing request of Docket 77-2021 under § 82-11-143, MCA. Phoenix Capital argued that Phoenix Capital did not have "actual notice" of the hearing, was not provided an opportunity to conduct discovery in this matter, its predecessor did not receive "proper and sufficient notice," Kraken could not rely on a presumption of non-participation for any interest holder that was based on statutorily deficient notice that did not conform to statute, Kraken could not offer, and the Board could not rely on hearsay evidence, the declaration of non-participation by Phoenix's predecessor in interest or their relatives, Phoenix Capital repeatedly asked Kraken for an opportunity to participate in the development of subject wells before the application of for pooling and recovery of non-consent penalties, Kraken did not make a "good faith effort to acquire voluntary pooling of interests in the spacing unit," and Kraken did not legally satisfy the requirements for forced pooling and assessment of costs.

Kraken filed a response to Phoenix Capital's petition arguing that Phoenix Capital raised no new issues in its rehearing request and that Kraken's pooling order met the statutory requirements and should remain in effect.

At the meeting, the Board considered and discussed the rehearing request. Phoenix Capital did not demonstrate any error in the original hearing for which a rehearing should be granted. To the extent that Phoenix Capital raised procedural issues in its request, it waived these objections by not first making them before the Board. A motion was made and unanimously passed by the Board to deny the request for rehearing of Docket 77-2021.

IT IS THEREFORE ORDERED by the Board that the request to rehear Docket 77-2021 is denied.

Dated this 1st day of December, 2021

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator

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

IN THE MATTER OF ZEIDERS BROS. OIL & GAS
COMPANY, L.L.C. AND ITS REQUEST TO DISMISS ITS
OUTSTANDING FINE.

ADMINISTRATIVE ORDER 12-A-2021

Zeiders Bros. Oil & Gas Company, LLC (Zeiders) is the operator the Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 5, T22N-R47E, McCone County, Montana. This well was drilled in 2011 and never produced. On September 3, 2021, Zeiders plugged the Rudolph Haynie 1-5 well.

Zeiders has an outstanding fine in the amount of \$12,500. This fine amount includes an \$8,500 balance from a daily fine that has been stopped and \$4,000 fine for failure to appear at the October 10, 2019, December 5, 2019, December 3, 2020, and August 12, 2021, public hearings.

Uriah Price, attorney, appeared on behalf of Zeiders. Mr. Price stated the Zeiders has experienced hardships and still plugged the Rudolph Haynie 1-5 well. Zeiders is working with Hohn Engineering on restoring the location. Mr. Price requested for the Board to waive the fine.

The Board deliberated and found it appropriate to waive the fine in part but retain a portion of the fines for past failures to appear.

IT IS THEREFORE ORDERED by the Board that Zeiders Bros. must pay \$2,000 of the \$12,500 outstanding fine. The remaining \$10,500 fine is waived.

Dated this 1st day of December, 2021

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator

STATE OF MONTANA

PROPOSED MEETING SCHEDULE

2022

EXHIBIT 3

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

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

 Filing Deadline

 Meeting / Hearing

 Holiday

 unavailable dates

EXHIBIT 4

**MONTANA BOARD OF OIL AND GAS CONSERVATION
FINANCIAL STATEMENT
As of 11/15/21
Fiscal Year 2022: Percent of Year Elapsed - 38%**

		Budget	Expends	%	Remaining
Regulatory	Personal Services	1,238,620	346,188	28	892,432
UIC	Personal Services	271,894	68,635	25	203,259
	Total	1,510,514	414,823	27	1,095,691
Regulatory	Equipment & Assets	46,371	-	-	46,371
UIC	Equipment & Assets	10,179	-	-	10,179
	Total	56,550	-	-	56,550
Regulatory	Operating Expenses:				
	Contracted Services	166,427	29,037	17	137,390
	Supplies & Materials	49,938	10,067	20	39,871
	Communication	58,303	12,458	21	45,845
	Travel	34,276	3,698	11	30,578
	Rent	29,602	9,060	31	20,542
	Utilities	19,762	3,563	18	16,199
	Repair/Maintenance	33,292	9,315	28	23,977
	Other Expenses	23,979	12,340	51	11,639
	Total Operating Expenses	415,579	89,538	22	326,041
UIC	Operating Expenses:				
	Contracted Services	27,555	5,292	19	22,263
	Supplies & Materials	10,962	3,721	34	7,241
	Communication	12,798	2,486	19	10,312
	Travel	7,524	1,247	17	6,277
	Rent	6,498	828	13	5,670
	Utilities	4,338	782	18	3,556
	Repair/Maintenance	7,308	2,042	28	5,266
	Other Expenses	5,264	1,755	33	3,509
	Total Operating Expenses	82,247	18,154	22	64,093
	Total	497,826	107,693	22	390,133

	Budget	Expends	%	Remaining
Carryforward FY20				
Personal Services	72,764	-	0	72,764
Operating Expenses	72,764	-	0	72,764
Equipment & Assests	-	-	0	-
Total	145,528	-	0	145,528

Funding Breakout	2022 Total Budget	2022 Total Expends	%
State Special	2,064,890	522,516	25
Federal 2021 UIC (10-1-2020 to 9-30-2021)	121,000	121,000	100
Federal 2022 UIC (10-1-2021 to 9-30-2022)	106,749	-	0
Total	2,292,639	643,516	28

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT

	FY 22	FY 21
Oil & Gas Production Tax	\$ -	\$ 2,272,948
Oil Production Tax	-	2,073,509
Gas Production Tax	-	199,438
Drilling Permit Fees	5,825	19,025
UIC Permit Fees	-	237,700
Interest on Investments	894	6,251
Copies of Documents	175	536
Miscellaneous Reimbursements	-	-
TOTAL	\$ 6,894	\$ 2,536,460

REVENUE INTO GENERAL FUND FROM FINES

		FY 22
COWRY ENTERPRISES LTD	7/9/2021	\$ 60
KTS TRUCKING	7/16/2021	60
BRAINSTORM ENERGY INC	8/13/2021	220
BIG SKY ENERGY LLC	9/10/2021	460
DRAWINGS LLC	10/1/2021	180
MLB LLC	10/1/2021	120
ZOETIC CORPORATION	10/7/2021	1,000
BIG SKY ENERGY LLC	10/15/2021	460
UNITED STATES ENERGY CORP	11/5/2021	70
CHACO ENERGY CO	11/5/2021	70
TOTAL		\$ 2,700

REVENUE INTO DAMAGE MITIGATION ACCOUNT

	FY 22
RIT Investment Earnings:	\$ 99,262
July	-
August	27,126
September	20,838
October	23,519
November	27,779
December	-
January	-
February	-
March	-
April	-
May	-
June	-
Bond Forfeitures:	50,000
Interest on Investments	152
TOTAL	\$ 149,414

INVESTMENT ACCOUNT BALANCES

Regulatory Account	\$ 3,776,401
Damage Mitigation Account	\$ 155,706

DAMAGE MITIGATION CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Plug and Reclaim Six Orphaned Wells	\$ 537,782	\$ 534,782	\$ 3,000	Under Contract	2/28/2023
P&R TOI MT AG Station 28-41 PA Well	\$ 61,000	\$ -	\$ -	Under Contract	9/30/2022
TOTAL	\$ 598,782	\$ 534,782	\$ 3,000		

CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Agency Legal Services 2022	\$ 70,000	\$ 11,448	\$ 58,552	Under Contract	6/30/2022
Billings Janitorial	9,425	1,178	8,247	Under Contract	9/30/2022
Billings Lawn and Snow Removal	12,000	1,760	10,240	Under Contract	9/30/2022
TOTAL	\$ 91,425	\$ 14,386	\$ 77,039		

**Agency Legal Services
Expenditures in FY22**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 7,662
Bison	3,787
Total	\$ 11,448

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

EXHIBIT 5

10/12/2021 Through 12/1/2021

Approved

Avanti Montana Energy, Inc. Calgary AB	899 M1	Approved Amount: Purpose:	11/29/2021 \$50,000.00 Multiple Well Bond
Certificate of Deposit	\$50,000.00 FIRST STATE BANK OF SHELBY		ACT
Baldwin Lynch Energy Corp. Fort Collins CO	673 G2	Approved Amount: Purpose:	10/19/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT
Big Sky Energy, LLC Cody WY	827 T1	Approved Amount: Purpose:	11/23/2021 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		ACT
Forza Operating, LLC Spring TX	901 G1	Approved Amount: Purpose:	11/29/2021 \$10,000.00 Single Well Bond
Surety Bond	\$10,000.00 RLI INSURANCE COMPANY		ACT
Lustre Oil Company LLC Winnett MT	898 G1	Approved Amount: Purpose:	11/23/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		ACT
U Bee Tea Production LLC Culbertson MT	897 G5	Approved Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Rocky Mountain Bank		ACT
U Bee Tea Production LLC Culbertson MT	897 G3	Approved Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Rocky Mountain Bank		ACT
U Bee Tea Production LLC Culbertson MT	897 G1	Approved Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Rocky Mountain Bank		ACT
U Bee Tea Production LLC Culbertson MT	897 G2	Approved Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Rocky Mountain Bank		ACT
U Bee Tea Production LLC Culbertson MT	897 T1	Approved Amount: Purpose:	11/2/2021 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00 Rocky Mountain Bank		ACT

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/12/2021 Through 12/1/2021

Approved

U Bee Tea Production LLC Culbertson MT	897 G4	Approved	11/2/2021
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Rocky Mountain Bank	ACT
Willow Ridge Ranch Galata MT	896 G1	Approved	10/19/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Stockman Bank of Montana	ACT

Canceled

Cimarex Energy Co. Tulsa OK	364 M1	Canceled	10/18/2021
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Cobra Oil & Gas Corporation Wichita Falls TX	790 M1	Canceled	11/23/2021
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Galuska Exploration & Production LLC Billings MT	403 G2	Canceled	11/16/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Galuska Exploration & Production LLC Billings MT	403 G1	Canceled	11/16/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Galuska, George R. Billings MT	444 G1	Canceled	11/16/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Grynberg, Jack J. Denver CO	3117 B1	Canceled	11/23/2021
		Amount:	\$10,000.00
		Purpose:	Blanket Bond
Keesun Corporation Cut Bank MT	2545 T1	Canceled	10/13/2021
		Amount:	\$3,500.00
		Purpose:	UIC Single Well Bond
Petroleum Engineering & Management Corp. Casper WY	6000 G1	Canceled	11/19/2021
		Amount:	\$10,000.00
		Purpose:	Suspended Bond
Petroleum Engineering & Management Corp. Casper WY	6000 G2	Canceled	11/19/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Tyler Oil Company Billings MT	196 G2	Canceled	10/13/2021
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond

Montana Board of Oil and Gas Conservation Summary of Bond Activity

10/12/2021 Through 12/1/2021

Forfeited

ANG Holding (USA) Corp. Calgary AB	857 L1	Forfeited Amount: Purpose:	10/25/2021 \$50,000.00 Limited Bond
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Letter Sent

ANG Holding (USA) Corp. Calgary AB	857 L1	Letter Sent Amount: Purpose:	10/15/2021 \$50,000.00 Limited Bond
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Released

Morken Production LLC Dagmar MT	792 G2	Released Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
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Morken Production LLC Dagmar MT	792 G4	Released Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
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Morken Production LLC Dagmar MT	792 G5	Released Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
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Morken Production LLC Dagmar MT	792 G1	Released Amount: Purpose:	11/1/2021 \$10,000.00 Single Well Bond
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Morken Production LLC Dagmar MT	792 T1	Released Amount: Purpose:	11/2/2021 \$10,000.00 UIC Single Well Bond
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Morken Production LLC Dagmar MT	792 G3	Released Amount: Purpose:	11/2/2021 \$10,000.00 Single Well Bond
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Incident Report

EXHIBIT 6

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Denbury Onshore, LLC	BOG	10/31/2021	Spill or Release	35 Barrels	700 Barrels	Flow Line - Production	Yes	46.71212	-104.53657	Wibaux	11N-57E-15 NENW
Continental Resources Inc	BOG	11/21/2021	Fire			Flare Pit	No	47.95357	-104.69909	Richland	25N-54E-2 NENE
Denbury Onshore, LLC	BOG	11/26/2021	Spill or Release	20 Barrels	1000 Barrels	Tank or Tank Battery	Yes	46.62083	-104.45528	Fallon	10N-58E-17 SWNW

Docket Summary

12/2/2021 Hearing

91-2021	Prima Exploration, Inc.	Amend Order 40-2020 (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 12/5/2022.		<input type="checkbox"/>
92-2021	Prima Exploration, Inc.	Permanent spacing unit, Bakken/Three Forks Formation, 25N-58E-13: all, 24: all (Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H).	Continued	Continued to February hearing, email received 11/11/21. <input type="checkbox"/>
93-2021	Prima Exploration, Inc.	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 25N-58E-13: all, 24: all (Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H). Non-consent penalties requested.	Continued	Continued to February hearing, email received 11/11/21. <input type="checkbox"/>
94-2021	Denbury Onshore, LLC	Pilot Enhanced Recovery Project, Madison Group, 10N-58E-8: SESW, SWSE, 16: SWSW, 17: W2NE, SENE, E2NW, NESW, SE, 20: NENE, 21: NWNW		<input type="checkbox"/>
95-2021	Denbury Onshore, LLC	Convert the Cabin Creek 34-8 well, 10N-58E-8: SWSE, (API # 025-05548) to a Class II injection well, Madison Formation.		<input type="checkbox"/>
96-2021	Denbury Onshore, LLC	Convert the Cabin Creek 23X-17R well, 10N-58E-17: NESW, (API # 025-21940) to a Class II injection well, Madison Formation.		<input type="checkbox"/>
97-2021	Denbury Onshore, LLC	Designate East Lookout Butte Unit as a tertiary recovery project effective 1/1/2022. Certify decline curve.		<input type="checkbox"/>
98-2021	Karsted Operating, LLC	Re-enter the plugged State #19-1 well, T34N-R46E-19: SE NW (API # 019-21100) to recomplate as a Class II injection well, Dakota Formation.	Default	<input type="checkbox"/>
99-2021	Falcon Energy Partners LLC	Permanent spacing unit, Middle Bakken Formation, 36N-3W-13: NENW (#1 Simmes Ranch 21-13).	Continued	Continued to February hearing, email received 11/19/21. <input type="checkbox"/>
100-2021	Falcon Energy Partners LLC	Pooling, permanent spacing unit, Middle Bakken Formation, 36N-3W-13: NENW (#1 Simmes Ranch 21-13).	Continued	Continued to February hearing, email received 11/19/21. <input type="checkbox"/>
101-2021	EMEP Operating, LLC	Change of Operator from Enerplus Resources USA Corporation to EMEP Operating, LLC.		<input type="checkbox"/>
102-2021	White Rock Oil & Gas, LLC	Change of Operator from XTO Energy Inc. to White Rock Oil & Gas, LLC.		<input type="checkbox"/>
103-2021	White Rock Oil & Gas, LLC	Change of Operator from Burlington Resources Oil & Gas Company LP to White Rock Oil & Gas, LLC.		<input type="checkbox"/>

104-2021	New Horizon Resources LLC	Change of operator from Synergy Offshore LLC to New Horizon Resources LLC.	Continued	<i>Continued to February hearing, email received 11/15/21.</i>	<input type="checkbox"/>
105-2021	Tomahawk Oil Company, Inc.	Change of operator from Tyler Rockies Exploration Ltd. to Tomahawk Oil Company, Inc.			<input type="checkbox"/>
77-2021	Kraken Oil & Gas LLC	[REHEARING REQUEST] Pooling, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-6: all, 7: all (RKT Carda 7-6 #2H, RKT Carda 7-6 #3H, and RKT Carda 7-6 #4H). Non-consent penalties requested.		<i>Rehearing requested by Phoenix Capital Group Holdings - Dan Snedigar, attorney</i>	<input type="checkbox"/>
79-2021	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 26N-59E-21: all, 28: all (Dagney 21-28 #1H). Non-consent penalties requested.	Withdrawn	<i>PSU, Order 77-2018 Orig Pooled, Order 78-2018 Continued to December hearing, email received 9/30/21. Withdrawn, email received 11/24/21.</i>	<input type="checkbox"/>
80-2021	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 26N-59E-21: all, 28: all, 33: all (Dagney 33-21 #3 and Dagney 33-21 #4H). Non-consent penalties requested.	Withdrawn	<i>PSU, Order 18-2021 Orig Pooled, Order 19-2021 Continued to December hearing, email received 9/30/21. Withdrawn, email received 11/24/21.</i>	<input type="checkbox"/>
106-2021	J&M Snake Creek Disposal, Inc.	Show Cause: why it should not immediately plug and abandon the Picard 5-12 salt water disposal well, API # 25- 085-21354, located in the NE¼SW¼NW¼ of Section 12, T29N-R58E, Roosevelt County, Montana.			<input type="checkbox"/>
107-2021	SDOCO, LLC	Show Cause: why penalties should not be considered for failure to remedy the field violations.			<input type="checkbox"/>
108-2021	Black Gold Energy Resource Development, LLC	Show Cause: why penalties should not be considered for failure to remedy the field violations.			<input type="checkbox"/>
109-2021	Black Gold Energy Richland Facility, Inc.	Show Cause: why penalties should not be considered for failure to remedy the field violations.			<input type="checkbox"/>
110-2021	American Midwest Oil & Gas Corp.	Show cause: why it should not begin to plug and abandon its wells in Toole County, Montana prior to the December 2, 2021, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.			<input type="checkbox"/>

111-2021	Kykuit Resources, LLC	Show cause: why it should not begin to plug and abandon its wells not capable of production prior to the December 2, 2021, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.	<input type="checkbox"/>
112-2021	Pamect Oil, Keith E. Tyner DbA & Lowrance-Tyner Operating	Show Cause: why it should not immediately plug and abandon its non-producing wells in Pondera and Teton Counties, Montana.	<input type="checkbox"/>
32-2021	Forward Energy, LLC	Show Cause: why it should not have to provide a plan and timeline for the plugging and abandonment of its wells.	<input type="checkbox"/>
73-2021	Highlands Montana Corporation	Show Cause: why it should not begin to restore the location of the Helios 5-52 16-21 well, file missing completion data for the Helios 5-52 16-32 well, and begin to plug and abandon the Helios 5-52 16-22 well.	<input type="checkbox"/>
90-2021	Roland Oil and Gas	Show-cause: why it should not immediately plug and abandon its wells in Glacier and Pondera Counties, Montana.	<input type="checkbox"/>

ALL APPLICATIONS, 12/2/2021

Docket	Applicant	Status	Request
91-2021	Prima Exploration, Inc.		Well Density
92-2021	Prima Exploration, Inc.	Continued	Spacing
93-2021	Prima Exploration, Inc.	Continued	Pooling
94-2021	Denbury Onshore, LLC		Enhanced Recovery
95-2021	Denbury Onshore, LLC		Class II Permit
96-2021	Denbury Onshore, LLC		Class II Permit
97-2021	Denbury Onshore, LLC		Delineation
98-2021	Karsted Operating, LLC	Default	Class II Permit
99-2021	Falcon Energy Partners LLC	Continued	Spacing
100-2021	Falcon Energy Partners LLC	Continued	Pooling
77-2021	Kraken Oil & Gas LLC	??	Re-hearing Request
79-2021	Kraken Oil & Gas LLC	Withdrawn	Pooling
80-2021	Kraken Oil & Gas LLC	Withdrawn	Pooling
101-2021	EMEP Operating, LLC		Change of Operator
102-2021	White Rock Oil & Gas, LLC		Change of Operator
103-2021	White Rock Oil & Gas, LLC		Change of Operator
104-2021	New Horizon Resources LLC	Continued	Change of Operator
105-2021	Tomahawk Oil Company, Inc.		Change of Operator
106-2021	J&M Snake Creek Disposal, Inc.		Show-Cause
107-2021	SDOCO, LLC		Show-Cause
108-2021	Black Gold Energy Resource Development, LLC		Show-Cause
109-2021	Black Gold Energy Richland Facility, Inc.		Show-Cause
110-2021	American Midwest Oil & Gas Corp.		Show-Cause
111-2021	Kykuit Resources, LLC		Show-Cause
112-2021	Pamect Oil, Keith E. Tyner Dba & Lowrance-Tyner Operating		Show-Cause
32-2021	Forward Energy, LLC		Show-Cause
73-2021	Highlands Montana Corporation		Show-Cause
90-2021	Roland Oil and Gas		Show-Cause

APPLICATIONS TO HEAR, 12/2/2021

(In Order of Hearing)

Docket	Applicant	Status	Request
91-2021	Prima Exploration, Inc.		Well Density
94-2021	Denbury Onshore, LLC		Enhanced Recovery
95-2021	Denbury Onshore, LLC		Class II Permit
96-2021	Denbury Onshore, LLC		Class II Permit
97-2021	Denbury Onshore, LLC		Delineation
77-2021	Kraken Oil & Gas LLC	??	Re-hearing Request
101-2021	EMEP Operating, LLC		Change of Operator
102-2021	White Rock Oil & Gas, LLC		Change of Operator
103-2021	White Rock Oil & Gas, LLC		Change of Operator
105-2021	Tomahawk Oil Company, Inc.		Change of Operator
106-2021	J&M Snake Creek Disposal, Inc.		Show-Cause
107-2021	SDOCO, LLC		Show-Cause
108-2021	Black Gold Energy Resource Development, LLC		Show-Cause
109-2021	Black Gold Energy Richland Facility, Inc.		Show-Cause
110-2021	American Midwest Oil & Gas Corp.		Show-Cause
111-2021	Kykuit Resources, LLC		Show-Cause
112-2021	Pamect Oil, Keith E. Tyner Dba & Lowrance-Tyner Operating		Show-Cause
32-2021	Forward Energy, LLC		Show-Cause
73-2021	Highlands Montana Corporation		Show-Cause
90-2021	Roland Oil and Gas		Show-Cause

DEFAULT DOCKET, 12/2/2021

DEFAULT DOCKET, 12/2/2021			
Docket	Applicant	Status	Request
98-2021	Karsted Operating, LLC	Default	Class II Permit

Inactive Well Review Referrals

EXHIBIT 8

CoName	SumOfWells	SumOfAmount	PerWell	Well Count	First Letter	Second Letter
Stewart, Lynn	13	\$25,000.00	\$1,923.08	13	No response.	No response.
Janssen Gas	2	\$10,000.00	\$5,000.00	2	Unlocatable.	Unlocatable.
Powder River Gas, LLC	2	\$50,000.00	\$25,000.00	2	Unlocatable.	Unlocatable.
Butler Petroleum LLC	1	\$10,000.00	\$10,000.00	1	No response.	No response.
Cremer Energy Inc.	1	\$10,000.00	\$10,000.00	1	No response.	No response.
Fulco	1	\$2,100.00	\$2,100.00	1	No response.	No response.
Herco Exploration LLC	1	\$5,000.00	\$5,000.00	1	No response.	No response.
Powers Energy Inc.	1	\$5,000.00	\$5,000.00	1	Unlocatable.	Unlocatable.
Heavy Water Haulers Inc.	1	\$1,500.00	\$1,500.00	1	Response received, no plans to plug well.	No response.
Larslan Water Disposal	1	\$5,000.00	\$5,000.00	1	No response.	No response.
Lustre Salt Water Disp, Vernon R. Justice Db	1	\$5,000.00	\$5,000.00	1	Response received, asked for an additional 2 months to respond to figure out estate dealings.	No response.

Inactive Well Review Resolved/Working On

CoName	SumOfWells	SumOfAmount	PerWell	CountOfAPI_WellNo	Status
Hesla Oil, LLC	9	\$13,500.00	\$1,500.00	9	Surface owner and mineral owner.
Habets Oil & Gas, LLC	9	\$13,500.00	\$1,500.00	9	Response received, owner had a stroke, wife requests more time to respond.
Big Snowy Resources LP	8	\$50,000.00	\$6,250.00	8	Response received from operator, wants to keep wells. One well may be a water well, working on getting water well release. Working on leases for remaining wells.
Young Sanders E&P, LLC	1	\$1,500.00	\$1,500.00	1	Well plugged 6/01/21.
Foster, Charles P. And Smith, Loren E.	1	\$5,000.00	\$5,000.00	1	The well is a producer, production reports are being accurately filed now.
Baldwin Lynch Energy Corp.	1	\$10,000.00	\$10,000.00	1	NOIA received 10/04/21.
Petroleum Engineering & Management Corp.	1	\$1,500.00	\$1,500.00	1	Well plugged 9/08/21.
Goldrock Minerals LLC	1	\$1,500.00	\$1,500.00	1	Response received from operator, believes it is a water well, working on getting water well release.

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANAIN THE MATTER OF JANSSEN GAS, POWDER RIVER
GAS, LLC, AND POWERS ENERGY INC. INACTIVE
WELLS.

ADMINISTRATIVE ORDER 13-A-2021

Janssen Gas, Powder River Gas, LLC, Powers Energy Inc. are three operators brought to the Board's attention for its following producing wells that have been inactive for two or more years.

- **Janssen Gas:** Janssen 1, API # 25-075-21996, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, T1S-R50E, Power River County, Montana
- **Janssen Gas:** Janssen 2, API # 25-075-22001, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, T1S-R50E, Power River County, Montana
- **Powder River Gas, LLC:** State of MT 41-36-1, API # 25-075-22220, located in the NE $\frac{1}{4}$ of Section 36, T4S-R47E, Power River County, Montana
- **Powder River Gas, LLC:** State of MT 41-36-4-A, API # 25-075-22225, located in the NE $\frac{1}{4}$ of Section 36, T4S-R47E, Power River County, Montana
- **Powers Energy Inc.:** Jensen 1, API # 25-003-21202, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28, T9S-R39E, Big Horn County, Montana

On July 7, 2021, certified letters were mailed to the three operators above requesting a plan and schedule of abandonment for the inactive wells or justification with supporting documentation for leaving the inactive wells unplugged. This request was made in accordance with ARM 36.22.1307. The letters were returned as undeliverable.

On October 27, 2021, a second certified letter was mailed to each operator and each of these letters were returned as undeliverable.

IT IS THEREFORE ORDERED by the Board that Janssen Gas, Powder River Gas, LLC, and Powers Energy Inc. must show cause at the February 17, 2022, public hearing, as to why it should not immediately plug and abandon its wells in Big Horn and Power River Counties, Montana.

Dated this 1st day of December, 2021

Montana Board of Oil and Gas Conservation

James W. Halvorson, Administrator

Orphaned Well Site Plugging, Remediation, and Restoration
 Section 40601 of the Infrastructure Investment and Jobs Act

Notice of Intent to Apply for Formula Grant Funding

Applicant Data

Lead Organization (Name and Complete Address):			
Contact Name:		Contact Phone:	
Contact Email:			
DUNS Number:		EIN:	
Authorized Representative's Name and Job Title:			
Signature of Authorized Representative:			
Submission Date:			

Required Factors

Job Losses

Please provide job losses in the oil and gas industry in the state during the period beginning on March 1, 2020, and ending on November 15, 2021.¹

Number of jobs lost in the oil and gas industry from the period beginning March 1, 2020 and ending November 15, 2021:	
Percent change in number of oil and gas industry jobs for the period beginning March 1, 2020 and ending November 15, 2021:	
Data Source:	

Documented Orphaned Wells and Projected Costs (State or Private Land)

Please provide the number of documented orphaned wells located in the state on state or private land,² along with the associated projected costs, exclusive of administrative costs,³ to plug, reclaim, or decommission those wells and adjacent land. Please use the well count number reported in Table 13 of the Interstate Oil and Gas Compact Commission's report on idle and orphaned wells.

Number of documented orphaned wells (state or private land):	
Projected cost to plug or reclaim these orphaned wells, reclaim adjacent land, or decommission or remove associated pipelines, facilities, and infrastructure:	

¹ Your state's Labor Market Information contact may be able to assist with obtaining this data. A state contact list is here: <https://www.bls.gov/bls/ofolist.htm>. Two data sources can provide this data, with limitations associated with each source. The Current Employment Statistics (CES) Program provides monthly estimates of employment by industry using a model based on sample data. The Quarterly Census of Employment and Wages (QCEW) is a compilation of actual quarterly contribution reports from employers, and provides more accurate and detailed data, with a delay of approximately five months. Please provide Subsector or Industry level data for Oil and Gas Extraction (<https://www.bls.gov/iag/tgs/iag211.htm>, NAICS 211) and Oil and Gas Subsector data for Supporting Activities for Mining (<https://www.bls.gov/iag/tgs/iag213.htm>, NAICS 213) recognizing that the most recent data may be preliminary.

² On state or private land, the term "orphaned well" has the meaning given the term by the state. If the state uses different terminology, the term has the meaning given another term used by the state to describe a well eligible for plugging, remediation, and reclamation by the state. A documented orphaned well is an orphaned well for which the state has a drilling report, completion report, inspection report, or other record establishing the well exists.

³ Once the formula is established, personnel and other associated program administration costs will be included in the application as a separate responsive item that details the amount of funds to be spent on administrative costs, not to exceed 10 percent of the total funds awarded.

ORPHANED WELL SUMMARY & COSTS

InspArea	Well_Typ	Wells	/Well	Total Cost
Glendive	CBM	6	\$25,000	\$150,000
Glendive	DH	1	\$130,000	\$130,000
Glendive	GAS	3	\$25,000	\$75,000
Glendive	OIL	2	\$130,000	\$260,000
Glendive	SWD	2	\$130,000	\$260,000
Plentywood	GAS	2	\$25,000	\$50,000
Plentywood	OIL	16	\$130,000	\$2,080,000
Plentywood	SWD	2	\$130,000	\$260,000
Roundup	DH	1	\$80,000	\$80,000
Roundup	EOR	3	\$80,000	\$240,000
Roundup	GAS	19	\$25,000	\$475,000
Roundup	OIL	27	\$80,000	\$2,160,000
Roundup	WS	1	\$80,000	\$80,000
Shelby	DH	4	\$35,000	\$140,000
Shelby	GAS	117	\$25,000	\$2,925,000
Shelby	OIL	68	\$35,000	\$2,380,000
Sidney	OIL	5	\$130,000	\$650,000
Total		279		\$12,395,000