

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
BILLINGS, MONTANA  
February 16 & 17, 2022

NOTICE OF PUBLIC HEARING

( CONSERVATION AND PREVENTION  
( OF WASTE OF OIL AND GAS

***The Board has returned to normal hearing procedures. Those planning on testifying or presenting should be present at the business meeting or hearing.***

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, February 16, 2022, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Approval of minutes of December 1, 2021, business meeting
3. Public comment on agenda and non-agenda items
4. Financial report
5. Bond summary & incident report
6. Docket summary
7. Gas flaring exceptions
8. Inactive well review
9. Orphan well update
10. Staff reports
11. Other business
12. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, February 17, 2022, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Erin Ricci at (406) 444-6731 or Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

**Please take note that corporations, partnerships, limited-liability companies (LLCs), or any other legal entity that is not a natural person cannot appear before the Board of Oil and Gas Conservation except through an attorney licensed to practice law in the State of Montana. Failure of a designated and duly licensed legal representative to appear at the time and place identified in this hearing notice may result in imposition of sanctions for failure to appear before the Board.**

Docket 1-2022

**APPLICANT: LUSTRE OIL COMPANY LLC – VALLEY COUNTY, MONTANA**

Upon the application of **Lustre Oil Company LLC** for a permit to drill a Ratcliffe Formation well at a proposed location of 419' FNL and 542' FWL in Section 4, T30N-R44E, Valley County, Montana. **A&S Mineral Development Company, LLC** has filed protest of this application in accordance with A.R.M. 36.22.601.

Docket 2-2022

**APPLICANT: LUSTRE OIL COMPANY LLC – VALLEY COUNTY, MONTANA**

Upon the application of **Lustre Oil Company LLC** to vacate Board Order 245-2014 that created a temporary spacing unit comprised of the S½ of Section 3, T30N-R44E, Valley County, Montana.

Docket 3-2022

**APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA**

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 18-2020 which created an overlapping temporary spacing unit comprised of all of Sections 22, 27, and 34, T26N-R59E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within the overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that the operations for the drilling of said well must be commenced not later than February 17, 2023. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 4-2022

**APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA**

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 47-2020 which authorized the drilling of up to four horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit comprised of all of Sections 2, 11, and 14, T24N-R59E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that the operations for the drilling of said well must be commenced not later than February 17, 2023. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 5-2022

**APPLICANT: PETRO-HUNT, LLC – DAWSON COUNTY, MONTANA**

Upon the application of **Petro-Hunt, LLC** to designate a permanent spacing unit comprised of the SE¼ of Section 11 and the NE¼ of Section 14, T18N-R54E, Dawson County, Montana, for the production of oil and associated natural gas from the Red River Formation with respect to the Nissley Farms 18-54-14A-4-1 well.

Docket 6-2022

**APPLICANT: PETRO-HUNT, LLC – RICHLAND COUNTY, MONTANA**

Upon the application of **Petro-Hunt, LLC** to designate a permanent spacing unit comprised of the N½ of Section 36, T23N-R55E, Richland County, Montana, for the production of oil and associated natural gas from the Red River Formation with respect to the State 23-55-36B-1 well.

Docket 7-2022

**APPLICANT: DENBURY ONSHORE, LLC – FALLON COUNTY, MONTANA**

Upon the application of **Denbury Onshore, LLC** to convert the 33-31C well (API #25-025-21183) in the NW¼SE¼ of Section 31, T8N-R60E, Fallon County, Montana (Pennel Field) to a saltwater disposal well in the Mission Canyon Formation at a depth of approximately 7,045-7,680 ft. Staff notes this application is eligible for placement on the default docket.

Docket 92-2021  
Continued from December 2021  
Application has been Continued to the April 2022 hearing

**APPLICANT: PRIMA EXPLORATION, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Prima Exploration, Inc.** to designate a permanent spacing unit comprised of all of Sections 13 and 24, T25N-R58E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Sundance Kid #1H, Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H wells.

Docket 93-2021  
Continued from December 2021  
Application has been Continued to the April 2022 hearing

**APPLICANT: PRIMA EXPLORATION, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Prima Exploration, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 13 and 24, T25N-R58E, 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 Sundance Kid #1H Sundance Kid #2H, Sundance Kid #3H, and Sundance Kid #4H wells.

Docket 99-2021  
Continued from December 2021

**APPLICANT: FALCON ENERGY PARTNERS LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Falcon Energy Partners LLC** to designate a permanent spacing unit comprised of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, T36N-R3W, Toole County, Montana, for the production of oil and associated natural gas from the Middle Bakken Formation with respect to the #1 Simmes Ranch 21-13 well.

Docket 100-2021  
Continued from December 2021

**APPLICANT: FALCON ENERGY PARTNERS LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Falcon Energy Partners LLC** to pool all interests in the permanent spacing unit comprised of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, T36N-R3W, Toole County, Montana, for the production of oil and associated natural gas from the Middle Bakken 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 #1 Simmes Ranch 21-13 well.

Docket 104-2021  
Continued from December 2021

**APPLICANT: NEW HORIZON RESOURCES LLC – GLACIER, PONDERA, TETON, AND TOOLE COUNTIES, MONTANA**

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 932 wells in Glacier, Pondera, Teton, and Toole Counties, Montana, identified in the application from **Synergy Offshore LLC to New Horizon Resources LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA. Board records show Synergy is responsible for 767 producing wells covered by a multiple well bond, 144 injection wells which are bonded separately, and 24 federally bonded wells.

Docket 8-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: JANSSEN GAS – POWDER RIVER COUNTY, MONTANA**

Upon the Board's own motion to require **Janssen Gas** to appear and show cause, if any it has, why it should not immediately plug and abandon its wells in Powder River County, Montana.

Docket 9-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: POWDER RIVER GAS, LLC – POWDER RIVER COUNTY, MONTANA**

Upon the Board's own motion to require **Powder River Gas, LLC** to appear and show cause, if any it has, why it should not immediately plug and abandon its wells in Powder River County, Montana.

Docket 10-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: POWERS ENERGY INC. – BIG HORN COUNTY, MONTANA**

Upon the Board's own motion to require **Powers Energy Inc.** to appear and show cause, if any it has, why it should not immediately plug and abandon its Jensen 1 well, 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.

Docket 11-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: FORWARD ENERGY, LLC – YELLOWSTONE COUNTY, MONTANA**

Upon the Board's own motion to require **Forward Energy, LLC** to appear and show cause, if any it has, why it should not immediately plug and abandon its wells in Yellowstone County, Montana.

Docket 12-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: PAMECT OIL, KEITH E. TYNER DBA AND LOWRANCE-TYNER OPERATING – PONDERA AND TETON COUNTIES, MONTANA**

Upon the Board's own motion to require **Pamect Oil, Keith E. Tyner Dba and Lowrance-Tyner Operating** to appear and show cause, if any it has, why is should not begin to plug and abandon its wells in Pondera and Teton Counties, Montana prior to the February 17, 2022, 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.

Docket 13-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: ROLAND OIL AND GAS – GLACIER AND PONDERA COUNTIES, MONTANA**

Upon the Board's own motion to require **Roland Oil and Gas** to appear and show cause, if any it has, why is should not begin to plug and abandon its wells in Glacier and Pondera Counties, Montana prior to the February 17, 2022, 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.

Docket 14-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: D90 ENERGY, LLC – SHERIDAN COUNTY, MONTANA**

Upon the Board's own motion to require **D90 Energy, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports. In accordance with Board policy the amount due is \$1,820.00 and of that \$910.00 has been paid. This docket will be dismissed if remaining payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects D90 Energy, LLC to further penalties as prescribed by Board Policy.

Docket 15-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: DIGITAL OPERATING COMPANY LLC –RICHLAND, ROOSEVELT, SHERIDAN AND WIBAUX COUNTIES, MONTANA**

Upon the Board's own motion to require **Digital Operating Company LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file injection reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$560.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Digital Operating Company LLC to further penalties as prescribed by Board Policy.

Docket 16-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: ENNEBERG OIL & GAS – TOOLE COUNTY, MONTANA**

Upon the Board's own motion to require **Enneberg Oil & Gas** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$240.00. This docket will be dismissed if payment is received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Enneberg Oil & Gas to further penalties as prescribed by Board Policy.

Docket 17-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: FOSTER ENERGY GROUP L.L.C. – SHERIDAN COUNTY, MONTANA**

Upon the Board's own motion to require **Foster Energy Group L.L.C.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file injection reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Foster Energy Group L.L.C. to further penalties as prescribed by Board Policy.

Docket 18-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: GRASSY BUTTE LLC – ROSEBUD COUNTY, MONTANA**

Upon the Board's own motion to require **Grassy Butte, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment is received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Grassy Butte LLC to further penalties as prescribed by Board Policy.

Docket 19-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: HAWLEY HYDROCARBONS, MERRILL&CAROL HAWLEY DBA – PONDERA COUNTY, MONTANA**

Upon the Board's own motion to require **Hawley Hydrocarbons, Merrill&Carol Hawley Dba** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production and injection reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Hawley Hydrocarbons, Merrill&Carol Hawley Dba to further penalties as prescribed by Board Policy.

Docket 20-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: HAWLEY – NORTHRUP – PONDERA COUNTY, MONTANA**

Upon the Board's own motion to require **Hawley – Northrup** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Hawley – Northrup to further penalties as prescribed by Board Policy.

Docket 21-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: HESLA OIL, LLC – TOOLE COUNTY, MONTANA**

Upon the Board's own motion to require **Hesla Oil, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Hesla Oil, LLC to further penalties as prescribed by Board Policy.

Docket 22-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Black Gold Energy Resource Development, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file injection reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$140.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Black Gold Energy Resource Development, LLC to further penalties as prescribed by Board Policy.

Docket 23-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: BLACK GOLD ENERGY RICHLAND FACILITY, INC. – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Black Gold Energy Richland Facility, Inc.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file injection reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$140.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Black Gold Energy Richland Facility, Inc. to further penalties as prescribed by Board Policy.

Docket 108-2021  
**SHOW-CAUSE HEARING**  
Continued from December 2021

**RESPONDENTS: BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Black Gold Energy Resource Development, LLC** to appear and show cause, if any it has, why penalties should not be considered for failure to remedy the field violations.

Docket 109-2021  
**SHOW-CAUSE HEARING**  
Continued from December 2021

**RESPONDENTS: BLACK GOLD ENERGY RICHLAND FACILITY, INC. – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Black Gold Energy Richland Facility, Inc.** to appear and show cause, if any it has, why penalties should not be considered for failure to remedy the field violations.

BOARD OF OIL AND GAS CONSERVATION

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Erin Ricci  
Administrative Assistant