

**EXHIBIT 1**

**MONTANA BOARD OF OIL AND GAS CONSERVATION  
FINANCIAL STATEMENT  
As of 2/1/22  
Fiscal Year 2022: Percent of Year Elapsed - 60%**

		<b>Budget</b>	<b>Expends</b>	<b>%</b>	<b>Remaining</b>
Regulatory	Personal Services	1,238,620	594,111	48	644,509
UIC	Personal Services	271,894	137,121	50	134,773
	<b>Total</b>	<b>1,510,514</b>	<b>731,231</b>	<b>48</b>	<b>779,283</b>
Regulatory	Equipment & Assets	46,371	-	-	46,371
UIC	Equipment & Assets	10,179	-	-	10,179
	<b>Total</b>	<b>56,550</b>	<b>-</b>	<b>-</b>	<b>56,550</b>
Regulatory	Operating Expenses:				
	Contracted Services	166,427	41,835	25	124,592
	Supplies & Materials	49,938	18,217	36	31,721
	Communication	58,303	24,879	43	33,424
	Travel	34,276	7,641	22	26,635
	Rent	29,602	12,971	44	16,631
	Utilities	19,762	7,223	37	12,539
	Repair/Maintenance	33,292	18,452	55	14,840
	Other Expenses	23,979	23,518	98	461
	<b>Total Operating Expenses</b>	<b>415,579</b>	<b>154,736</b>	<b>37</b>	<b>260,843</b>
UIC	Operating Expenses:				
	Contracted Services	27,555	7,758	28	19,797
	Supplies & Materials	10,962	7,514	69	3,448
	Communication	12,798	5,024	39	7,774
	Travel	7,524	1,851	25	5,673
	Rent	6,498	1,687	26	4,811
	Utilities	4,338	1,586	37	2,752
	Repair/Maintenance	7,308	4,023	55	3,285
	Other Expenses	5,264	2,013	38	3,251
	<b>Total Operating Expenses</b>	<b>82,247</b>	<b>31,456</b>	<b>38</b>	<b>50,791</b>
	<b>Total</b>	<b>497,826</b>	<b>186,193</b>	<b>37</b>	<b>311,633</b>

	<b>Budget</b>	<b>Expends</b>	<b>%</b>	<b>Remaining</b>
<b>Carryforward FY20</b>				
Personal Services	72,764	-	0	72,764
Operating Expenses	72,764	-	0	72,764
Equipment & Assets	-	-	0	-
<b>Total</b>	<b>145,528</b>	<b>-</b>	<b>0</b>	<b>145,528</b>

<b>Funding Breakout</b>	<b>2022 Total Budget</b>	<b>2022 Total Expends</b>	<b>%</b>
State Special	2,064,890	917,424	44
Federal 2022 UIC (10-1-2021 to 9-30-2022)	106,749	-	0
<b>Total</b>	<b>2,171,639</b>	<b>917,424</b>	<b>42</b>

**REVENUE INTO STATE SPECIAL REVENUE ACCOUNT**

	FY 22	FY 21
Oil & Gas Production Tax	\$ 844,035	\$ 2,272,948
Oil Production Tax	758,197	2,073,509
Gas Production Tax	85,838	199,438
Drilling Permit Fees	9,025	19,025
UIC Permit Fees	208,600	237,700
Interest on Investments	1,668	6,251
Copies of Documents	780	536
Miscellaneous Reimbursements	-	-
<b>TOTAL</b>	<b>\$ 1,064,108</b>	<b>\$ 2,536,460</b>

**REVENUE INTO DAMAGE MITIGATION ACCOUNT**

	FY 22
RIT Investment Earnings:	\$ 143,929
July	-
August	27,126
September	20,838
October	23,519
November	27,779
December	20,564
January	24,103
February	-
March	-
April	-
May	-
June	-
Bond Forfeitures:	50,000
Interest on Investments	185
<b>TOTAL</b>	<b>\$ 194,114</b>

**INVESTMENT ACCOUNT BALANCES**

Regulatory Account	\$ 3,980,434
Damage Mitigation Account	\$ 200,406

**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
<b>D90 ENERGY LLC</b>	<b>11/17/2021</b>	<b>910</b>
<b>HERCO LLC</b>	<b>12/22/2021</b>	<b>60</b>
<b>TOWN OF SACO</b>	<b>12/28/2021</b>	<b>60</b>
<b>LOST CREEK ASSOCIATES LLC</b>	<b>12/28/2021</b>	<b>2,000</b>
<b>DIAMOND HALO GROUP LLC</b>	<b>1/3/2022</b>	<b>60</b>
<b>TOTAL</b>		<b>\$ 5,790</b>

**DAMAGE MITIGATION CONTRACTS**

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
P&R TOI MT AG Station 28-41 PA Well	\$ 61,000	\$ -	\$ -	Under Contract	9/30/2022
TOTAL	\$ 61,000	\$ -	\$ -		

**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	\$ 15,279	\$ 54,721	Under Contract	6/30/2022
Billings Janitorial	9,425	3,534	5,891	Under Contract	9/30/2022
Billings Lawn and Snow Removal	12,000	2,970	9,030	Under Contract	9/30/2022
TOTAL	\$ 91,425	\$ 21,783	\$ 69,642		

**Agency Legal Services  
Expenditures in FY22**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 11,165
Bison	4,114
Total	\$ 15,279

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

**EXHIBIT 2**

11/30/2021 Through 2/15/2022

**Approved**

Diamond Oil & Gas LLC Casper WY	797 G6	Approved Amount: Purpose:	2/11/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		ACT
Diamond Oil & Gas LLC Casper WY	797 G5	Approved Amount: Purpose:	2/11/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		ACT
Diamond Oil & Gas LLC Casper WY	797 G7	Approved Amount: Purpose:	2/11/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 FIRST INTERSTATE BANK		ACT
EMEP Operating, LLC Houston TX	902 T1	Approved Amount: Purpose:	12/15/2021 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
EMEP Operating, LLC Houston TX	902 M1	Approved Amount: Purpose:	12/15/2021 \$100,000.00 Multiple Well Bond
Surety Bond	\$100,000.00 U.S. Specialty Insurance Co.		ACT
EMEP Operating, LLC Houston TX	902 T2	Approved Amount: Purpose:	12/15/2021 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
Karsted Operating, LLC Billings MT	887 T1	Approved Amount: Purpose:	12/7/2021 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT
Lybeck, Colin Chester MT	903 D1	Approved Amount: Purpose:	1/3/2022 \$5,000.00 Domestic Well Bond
Certificate of Deposit	\$5,000.00 FIRST BANK MONTANA, N. A.		ACT
Remuda Energy Development, LLC Billings MT	585 G14	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G21	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT

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

11/30/2021 Through 2/15/2022

## Approved

Remuda Energy Development, LLC Billings MT	585 G20	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G19	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G18	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G17	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G6	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G15	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G13	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G12	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G11	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT
Remuda Energy Development, LLC Billings MT	585 G10	Approved Amount: Purpose:	12/28/2021 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 Yellowstone Bank		ACT

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

11/30/2021 Through 2/15/2022

## Approved

Remuda Energy Development, LLC Billings MT	585 G16	Approved	12/28/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Yellowstone Bank	ACT
Remuda Energy Development, LLC Billings MT	585 G9	Approved	12/28/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Yellowstone Bank	ACT
Remuda Energy Development, LLC Billings MT	585 G5	Approved	12/28/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Yellowstone Bank	ACT
Remuda Energy Development, LLC Billings MT	585 G8	Approved	12/28/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Yellowstone Bank	ACT
Remuda Energy Development, LLC Billings MT	585 G7	Approved	12/28/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Yellowstone Bank	ACT
Tomahawk Oil Company, Inc. Roundup MT	7620 U3	Approved	2/10/2022
		Amount:	\$45,000.00
		Purpose:	UIC Limited Bond
Letter of Credit	\$45,000.00	FIRST SECURITY BANK OF ROUNDUP	ACT
Tomahawk Oil Company, Inc. Roundup MT	7620 M2	Approved	2/10/2022
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Letter of Credit	\$50,000.00	FIRST SECURITY BANK OF ROUNDUP	ACT
White Rock Oil & Gas, LLC Plano TX	779 T12	Approved	12/22/2021
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Surety Bond	\$10,000.00	UNITED STATES FIRE INS. CO.	ACT
White Rock Oil & Gas, LLC Plano TX	779 M2	Approved	12/22/2021
		Amount:	\$200,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$200,000.00	UNITED STATES FIRE INS. CO.	ACT

## Canceled

Abraxas Petroleum Corporation San Antonio TX	564 T1	Canceled	12/7/2021
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond

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

11/30/2021 Through 2/15/2022

## Canceled

Anadarko Minerals, Inc. Oklahoma City OK	655 M1	Canceled	12/28/2021
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Highline Exploration, Inc. Tuscaloosa AL	342 M1	Canceled	12/8/2021
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Macum Energy Inc. Billings MT	4550 W1	Canceled	2/14/2022
		Amount:	\$10,000.00
		Purpose:	One-Well Bond
Macum Energy Inc. Billings MT	4550 G11	Canceled	2/14/2022
		Amount:	\$10,000.00
		Purpose:	Single Well Bond

## Forfeiture Ordered

American Midwest Oil & Gas Corp. Billings MT	744 G2	Forfeiture Ordered	12/2/2021
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$5,000.00	Western Security Bank	ACT
American Midwest Oil & Gas Corp. Billings MT	744 G4	Forfeiture Ordered	12/2/2021
		Amount:	\$1,500.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$1,500.00	Western Security Bank	ACT
American Midwest Oil & Gas Corp. Billings MT	744 G1	Forfeiture Ordered	12/2/2021
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$5,000.00	Western Security Bank	ACT
Kykuit Resources, LLC Winifred MT	557 M1	Forfeiture Ordered	12/2/2021
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	NGM Insurance Company	ACT

## Released

Remuda Energy Development, LLC Billings MT	585 L1	Released	12/28/2021
		Amount:	\$27,000.00
		Purpose:	Limited Bond

# Incident Report

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Denbury Onshore, LLC	BOG	12/17/2021	Spill or Release		60 Barrels	Flow Line - Injection	No	46.39536	-104.21391	Fallon	8N-60E-34 SWSW
Poplar Resources LLC	BOG	12/19/2021	Spill or Release		1190 Barrels	Pump Failure	No	48.23099	-105.08713	Roosevelt	29N-51E-28 SESE
Denbury Onshore, LLC	BOG	12/23/2021	Spill or Release		30 Barrels	Flow Line - Injection	No	46.28444	-104.12028	Fallon	6N-61E-7 SWSE
Denbury Onshore, LLC	BOG	12/27/2021	Spill or Release		4 Barrels	Flow Line - Injection	No	46.39389	-104.25583	Fallon	7N-60E-6 NENW
Denbury Onshore, LLC	BOG	1/1/2022	Spill or Release		75 Barrels	Flow Line - Production	No	46.70833	-104.53389	Wibaux	11N-57E-15 SENW
Denbury Onshore, LLC	BOG	1/9/2022	Spill or Release		450 Barrels	Flow Line - Injection	No	46.31417	-104.09750	Fallon	7N-61E-32 NESE
Poplar Resources LLC	FED	1/10/2022	Spill or Release	12 Gallons	1200 Gallons	Flow Line - Production	No	48.22479	-105.14563	Roosevelt	29N-51E-31 SWNW
Prima Exploration, Inc.	BOG	1/13/2022	Spill or Release	92 Barrels		Treater	No	47.92628	-104.16721	Richland	25N-58E-12 SWSE
Denbury Onshore, LLC	OTR	1/29/2022	Spill or Release			Trucking/Transportatio	No	45.14750	-105.06667	Powder River	8S-54E-14 NWNE
Denbury Onshore, LLC	FED	1/31/2022	Spill or Release		30 Barrels	Flow Line - Production	No	46.30250	-104.20167	Fallon	7N-60E-4 NESE
Denbury Onshore, LLC	FED	2/9/2022	Spill or Release		50 Barrels	Well Head	No	46.71482	-104.53565	Wibaux	11N-57E-10 SESW
Denbury Onshore, LLC	FED	2/11/2022	Spill or Release		250 Barrels	Flow Line - Production	No	46.11639	-104.05528	Fallon	4N-61E-8 NWSW
Denbury Onshore, LLC	BOG	2/13/2022	Spill or Release	5 Barrels	50 Barrels	Flow Line - Production	No	46.59026	-104.44046	Fallon	10N-58E-29 NESE



## Docket Summary

1-2022	Lustre Oil Company LLC	Hearing on Lustre's application for permit to drill in T30N-R44E-4: Lot 4; protest filed by A&S Mineral Development Company, LLC.		<input type="checkbox"/>
2-2022	Lustre Oil Company LLC	Vacate 245-2014 (Temporary spacing unit, Madison Formation, 30N-44E-3: S/2, 330' heel/toe, 500' lateral setbacks).		<input type="checkbox"/>
3-2022	Kraken Oil & Gas LLC	Amend Order 18-2020 (Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-59E-22: all, 27: all, 34: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order.) Amend that operations must commence by 2/17/2023.		<input type="checkbox"/>
4-2022	Kraken Oil & Gas LLC	Amend order 47-2020 (Amend Order 210-2014 and 320-2014, authorize the drilling of up to four horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit, Bakken/Three Forks Formation, 24N-59E-2: all, 11: all, 14: all, 200' heel/toe, 500' lateral setbacks.) Amend that operations must commence by 2/17/2023.		<input type="checkbox"/>
5-2022	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 18N-54E-11: SE, 14: NE (Nissley Farms 18-54-14A-4-1).		<input type="checkbox"/>
6-2022	Petro-Hunt, LLC	Permanent spacing unit, Red River Formation, 23N-55E-36: N1/2 (State 23-55-36B-1).		<input type="checkbox"/>
7-2022	Denbury Onshore, LLC	Convert the 33-31C well, 8N-60E-31: NWSE, (API # 025-21183) to a Class II injection well, Mission Canyon Formation.	<b>Default</b>	<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).	<b>Continued</b>	<input type="checkbox"/>
				<i>Continued to April hearing, email received 1/10/22.</i>
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.	<b>Continued</b>	<input type="checkbox"/>
				<i>Continued to April hearing, email received 1/10/22.</i>
99-2021	Falcon Energy Partners LLC	Permanent spacing unit, Middle Bakken Formation, 36N-3W-13: NENW (#1 Simmes Ranch 21-13).	<b>Continued</b>	<input type="checkbox"/>
				<i>Continued to April hearing, email received 2/7/22.</i>
				<i>Continued to February hearing, email received 11/19/21.</i>
100-2021	Falcon Energy Partners LLC	Pooling, permanent spacing unit, Middle Bakken Formation, 36N-3W-13: NENW (#1 Simmes Ranch 21-13).	<b>Continued</b>	<input type="checkbox"/>
				<i>Continued to April hearing, email received 2/7/22.</i>
				<i>Continued to February hearing, email received 11/19/21.</i>

104-2021	New Horizon Resources LLC	Change of operator from Synergy Offshore LLC to New Horizon Resources LLC.			<i>Continued to February hearing, email received 11/15/21.</i>	<input type="checkbox"/>
8-2022	Janssen Gas	Show Cause: why it should not immediately plug and abandon its wells in Power River County, Montana.				<input type="checkbox"/>
9-2022	Powder River Gas, LLC	Show Cause: why it should not immediately plug and abandon its wells in Power River County, Montana.				<input type="checkbox"/>
10-2022	Powers Energy Inc.	Show Cause: why it should not immediately plug and abandon its Jensen 1 well, API # 25-003-21202, located in the NW¼SE¼SE¼ of Section 28, T9S-R39E, Big Horn County, Montana.				<input type="checkbox"/>
11-2022	Forward Energy, LLC	Show Cause: why it should not immediately plug and abandon its wells in Yellowstone County, Montana.				<input type="checkbox"/>
12-2022	Parnect Oil, Keith E. Tyner Db a & Lowrance-Tyner Operating	Show Cause: 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.				<input type="checkbox"/>
13-2022	Roland Oil and Gas	Show Cause: 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.				<input type="checkbox"/>
14-2022	D90 Energy, LLC	Show Cause: failure to file production reports and pay administrative fees.				<input type="checkbox"/>
15-2022	Digital Operating Company LLC	Show Cause: failure to file injection reports and pay administrative fees.				<input type="checkbox"/>
16-2022	Enneberg Oil & Gas	Show Cause: failure to pay administrative fees assessed for delinquent reporting.	<b>Dismissed</b>		<i>The delinquent fee was received. Docket administratively dismissed in accordance with policy.</i>	<input type="checkbox"/>
17-2022	Foster Energy Group L.L.C.	Show Cause: failure to file injection reports and pay administrative fees.			<i>11/17/21 change of operator was submitted. Waiting for Bootstrap Oil LLC bonding.</i>	<input type="checkbox"/>
18-2022	Grassy Butte LLC	Show Cause: failure to pay administrative fees assessed for delinquent reporting.	<b>Dismissed</b>		<i>The delinquent fee was received. Docket administratively dismissed in accordance with policy.</i>	<input type="checkbox"/>
19-2022	Hawley Hydrocarbons, Merrill&Carol Hawley Db a	Show Cause: failure to file production and injection reports and pay administrative fees.	<b>Dismissed</b>		<i>The delinquent reports/fee was received. Docket administratively dismissed in accordance with policy.</i>	<input type="checkbox"/>

20-2022	Hawley-Northrup	Show Cause: failure to file production reports and pay administrative fees.	<b>Dismissed</b>	<i>The delinquent reports/fee was received. Docket administratively dismissed in accordance with policy.</i>	<input type="checkbox"/>
21-2022	Hesia Oil, LLC	Show Cause: failure to file production reports and pay administrative fees.			<input type="checkbox"/>
22-2022	Black Gold Energy Resource Development, LLC	Show Cause: failure to file injection reports and pay administrative fees.			<input type="checkbox"/>
23-2022	Black Gold Energy Richland Facility, Inc.	Show Cause: failure to file injection reports and pay administrative fees.			<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"/>

## ALL APPLICATIONS, 2/17/2022

Docket	Applicant	Status	Request
1-2022	Lustre Oil Company LLC		APD Protest
2-2022	Lustre Oil Company LLC		Vacate Order
3-2022	Kraken Oil & Gas LLC		Temp. Spacing
4-2022	Kraken Oil & Gas LLC		Well Density
5-2022	Petro-Hunt, LLC		Spacing
6-2022	Petro-Hunt, LLC		Spacing
7-2022	Denbury Onshore, LLC	Default	Class II Permit
92-2021	Prima Exploration, Inc.	Continued	Spacing
93-2021	Prima Exploration, Inc.	Continued	Pooling
99-2021	Falcon Energy Partners LLC	Continued	Spacing
100-2021	Falcon Energy Partners LLC	Continued	Pooling
104-2021	New Horizon Resources LLC		Change of Operator
8-2022	Janssen Gas		Show-Cause
9-2022	Powder River Gas, LLC		Show-Cause
10-2022	Powers Energy Inc.		Show-Cause
11-2022	Forward Energy, LLC		Show-Cause
12-2022	Pamect Oil, Keith E. Tyner DbA & Lowrance-Tyner Operating		Show-Cause
13-2022	Roland Oil and Gas		Show-Cause
14-2022	D90 Energy, LLC		Show-Cause
15-2022	Digital Operating Company LLC		Show-Cause
16-2022	Enneberg Oil & Gas	Dismissed	Show-Cause
17-2022	Foster Energy Group L.L.C.		Show-Cause
18-2022	Grassy Butte LLC	Dismissed	Show-Cause
19-2022	Hawley Hydrocarbons, Merrill&Carol Hawley DbA	Dismissed	Show-Cause
20-2022	Hawley-Northrup	Dismissed	Show-Cause
21-2022	Hesla Oil, LLC		Show-Cause
22-2022	Black Gold Energy Resource Development, LLC		Show-Cause
23-2022	Black Gold Energy Richland Facility, Inc.		Show-Cause
108-2021	Black Gold Energy Resource Development, LLC		Show-Cause
109-2021	Black Gold Energy Richland Facility, Inc.		Show-Cause

## Inactive Well Referrals

EXHIBIT 5  
February 16, 2022

CoName	SumOfWells	SumOfAmount	PerWell	Well Count	First Letter	Second Letter	Third Letter
Stewart, Lynn	13	\$25,000.00	\$1,923.08	13	No response.	No response.	Returned undeliverable.
Butler Petroleum LLC	1	\$10,000.00	\$10,000.00	1	No response.	No response.	No response.
Cremer Energy Inc.	1	\$10,000.00	\$10,000.00	1	No response.	No response.	No response.
Heavy Water Haulers Inc.	1	\$1,500.00	\$1,500.00	1	Response received, no plans to plug well.	No response.	Statement from operator received.

**Recommendation:** Order the companies on this list to show-cause at the April 14, 2022 hearing for why they should not immediately plug and abandon their wells.

February 9, 2022

Montana Board Of Oil & Gas  
2535 St. John's  
Billings, Mt 59102

Dear Sirs:

Please find enclosed the Letter Of Interest provided by Bluebird Energy, LLC for consideration of Tranel 25-77 for the purpose of disposal injection of which this well is certified. As there has been deliberation on the act of plugging said well.

As of my own plans for developing this site for commercial disposal were laid assunder by the slow-down of oil activity in this area in 2014 the cost of this project outweighed the financial ability of my own company, Heavy Water Haulers, Inc. to proceed without due revenue generating prospects within the realm of my operation.

Although the substantial financial outlay of this company, was realized in the preliminary organization of the project the value of such a installation has not diminished although in down-sizing my company throughout the leaner years since the slow-down in the oil industry of this area realizing the culmination of this project is beyond the abilities of this company.

However, the value of Tranel 25-77 as viable site for injection can still be realized in the growing interest of newer developments of other pay zones in energy recovery. As of recent exploratory tests has proved new interests in the development of the Heath in this area, it is in all interests of the company to recover invested monies so far expended for this project from another source.

The sale of Tranel 25-77 would probably not meet the total expenditures by Heavy Water Haulers, Inc. so far incurred, it would help to place this company on a firmer financial base.

That being said, this interest by Bluebird, LLC is not the only option this company will entertain. We see the infrastructure of this site including well-bore and tankage to be of value that can be negotiated in sale of this site. We will explore all options of transfer of said properties from all other interested entities. Believing that this well-bore have being tested and proved for intergity could be used in the disposal of produced fluids from the same zone or be re-perforated in another zone for other uses.

To simply designate this viable injection/disposal well for plugging while it's value is being under-rated due to non use is to not realize the growth of the energy industry in the area.

Please consider my thoughts on this and contact me at any time with questions concerning this matter. I would be willing to discuss this further and at length with any and all interests.

Sincerely,



Brian Tatman  
President

Heavy Water Haulers, Inc.  
P.O. Box 775  
Roundup, MT 59072

RECEIVED

FEB 10 2022

MONTANA BOARD OF OIL &  
GAS CONSERVATION • BILLINGS



BLUEBIRD ENERGY, LLC

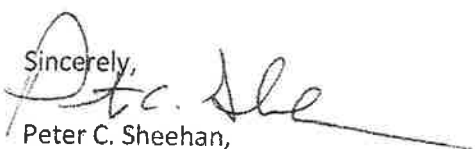
Heavy Water Haulers, Inc.  
P. O. Box 775  
Roundup, MT 59072  
1-24-22

Re: Water Disposal Options.

Dear Tat,

Per our discussions over the last week or so, it appears the water disposal options up in the Sumatra/Ingomar area are pretty slim. I do believe that your Tranel 25-77 Disposal well in Musselshell County would be a viable option for our disposal needs as long as we could work out a reasonable economic basis on a month to month cost. Why don't you put a pencil to it and get back with me on what we might work out, either on a per Bbl basis or some sort of a monthly set price. Without any other commercial wells in the immediate area we are certainly limited as to our choices.

Sincerely,

  
Peter C. Sheehan,  
Bluebird Energy, LLC

**RECEIVED**

**FEB 10 2022**

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

## Inactive Well Review - Follow Up Needed

February 16, 2022

CoName	SumOfWells	SumOfAmount	PerWell	CountOfAPI_WellNo	Status
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.
Baldwin Lynch Energy Corp.	1	\$10,000.00	\$10,000.00	1	NOIA received 10/04/21.
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.
Fulco	1	\$2,100.00	\$2,100.00	1	NOIA received 11/30/21.



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

IN THE MATTER OF BUTLER PETROLEUM LLC EPU 120  
WELL (API # 25-085-21820) LOCATED IN TOWNSHIP 29  
NORTH, RANGE 51 EAST, ROOSEVELT COUNTY,  
MONTANA

ADMINISTRATIVE ORDER 1-A-2022

Butler Petroleum LLC is the operator of the EPU 120, API # 25-085-21820, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 29, T29N-R51E, Roosevelt County, Montana. This well has been inactive for two or more years.

On July 7, 2021, a certified letter was mailed to Butler Petroleum LLC requesting a plan and schedule of abandonment for the inactive well or justification with supporting documentation for leaving the inactive well unplugged. This request was made in accordance with ARM 36.22.1307. No response was received.

On October 27, 2021, and January 5, 2022, follow up certified letters were sent and received no response.

IT IS THEREFORE ORDERED by the Board that Butler Petroleum LLC must show cause at the April 14, 2022, public hearing, as to why it should not immediately plug and abandon its well in Roosevelt County, Montana.

Dated this 16<sup>th</sup> day of February, 2022

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator

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

IN THE MATTER OF CREMER ENERGY INC. CREMER 2-  
24 WELL (API # 25-097-21064) LOCATED IN TOWNSHIP  
4 NORTH, RANGE 14 EAST, SWEETGRASS COUNTY,  
MONTANA.

ADMINISTRATIVE ORDER 2-A-2022

Cremer Energy Inc. is the operator of the Cremer 2-24, API # 25-097-21064, located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 24, T4N-R14E, Sweetgrass County, Montana. This well has been inactive for two or more years.

On July 7, 2021, a certified letter was mailed to Cremer Energy Inc. requesting a plan and schedule of abandonment for the inactive well or justification with supporting documentation for leaving the inactive well unplugged. This request was made in accordance with ARM 36.22.1307. No response was received.

On October 27, 2021, and January 5, 2022, follow up letters were sent and received no response.

IT IS THEREFORE ORDERED by the Board that Cremer Energy Inc. must show cause at the April 14, 2022, public hearing, as to why it should not immediately plug and abandon its well in Sweetgrass County, Montana.

Dated this 16<sup>th</sup> day of February, 2022

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator

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

IN THE MATTER OF HEAVY WATER HAULERS INC.  
TRANEL 25-77 WELL (API # 25-065-21854) LOCATED IN  
TOWNSHIP 11 NORTH, RANGE 24 EAST,  
MUSSELSHELL COUNTY, MONTANA

ADMINISTRATIVE ORDER 3-A-2022

Heavy Water Haulers Inc. is the operator of the Tranel 25-77, API # 25-065-21854, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 25, T11N-R24E, Musselshell County, Montana. This well has been inactive for two or more years.

On July 7, 2021, a certified letter was mailed to Heavy Water Haulers Inc. requesting a plan and schedule of abandonment for the inactive well or justification with supporting documentation for leaving the inactive well unplugged. This request was made in accordance with ARM 36.22.1307. Heavy Water Haulers Inc. responded that it had no plans to plug its inactive well.

On October 27, 2021, a follow up certified letter was sent and received no response.

On January 5, 2022, a third certified letter was sent and Heavy Water Haulers Inc. responded that it may have an interested buyer for the well.

IT IS THEREFORE ORDERED by the Board that Heavy Water Haulers Inc. must show cause at the April 14, 2022, public hearing, as to why it should not immediately plug and abandon its well in Musselshell County, Montana.

Dated this 16<sup>th</sup> day of February, 2022

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator

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

IN THE MATTER OF LYNN STEWART THIRTEEN  
INACTIVE WELLS IN TOOLE COUNTY, MONTANA.

ADMINISTRATIVE ORDER 4-A-2022

Lynn Stewart is the operator of the following thirteen wells in Toole County, Montana that have been inactive for two or more years.

- Texas 1, API # 25-101-22900, located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 8, T34N-R1W
- Maloney 1, API # 25-101-60129, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 8, T34N-R1W
- Hocksprung 2, API # 25-101-05609, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 4, T34N-R1W
- Shoemaker-Haskins 2, API # 25-101-05674, located in the S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Shoemaker-Haskins 1, API # 25-101-05684, located in the E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Shoemaker 3, API # 25-101-05693, located in the N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Schacht 1, API # 25-101-10291, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Schacht 2, API # 25-101-10292, located in the N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Schacht 3, API # 25-101-10293, located in the W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Schacht 4, API # 25-101-10294, located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Schacht 6, API # 25-101-10296, located in the E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Haskins 38-2A(2), API # 25-101-10418, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 33, T35N-R1W
- Texaco 1X, API # 25-101-22707, located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 4, T34N-R1W

On July 7, 2021, a certified letter was mailed to Lynn Stewart 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. No response was received.

On October 27, 2021, and January 5, 2022, follow up letters were sent and received no response.

IT IS THEREFORE ORDERED by the Board that Lynn Stewart must show cause at the April 14, 2022, public hearing, as to why it should not immediately plug and abandon its wells in Toole County, Montana.

Dated this 16<sup>th</sup> day of February, 2022

Montana Board of Oil and Gas Conservation

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James W. Halvorson, Administrator

ORPHANED WELL SUMMARY								
InspArea	CBM	DH	EOR	GAS	OIL	SWD	WS	Total
Glendive	6	1		3	2	2		14
Plentywood				2	16	2		20
Roundup		1	3	19	27		1	51
Shelby		4		117	68			189
Sidney					5			5
<b>Total</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>141</b>	<b>118</b>	<b>4</b>	<b>1</b>	<b>279</b>
InspArea	Well_Typ	Wells	/Well	Total Cost	Cost + 15%			
Glendive	CBM	6	\$25,000	\$150,000	\$14,254,250.00			
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				
<b>Total</b>		<b>279</b>		<b>\$12,395,000</b>				