UPON THE APPLICATION OF WHITE ROCK OIL & GAS, LLC TO RECOMPLETE THE FEDERAL 15-30 WELL, LOCATED IN THE SW¼SE¼ OF SECTION 30, T23N-R60E, RICHLAND COUNTY, MONTANA, AS AN ADDITIONAL MADISON GROUP WELL IN THE EXISTING PERMANENT SPACING UNIT COMPRISED OF THE S½ OF SECTION 30, T23N-R60E, AS AN EXCEPTION TO BOARD ORDER 51-1979.

ORDER 41-2022

Docket No. 51-2022

### Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Uriah Price, attorney, and Eric Linthicum, regulatory manager, appeared on behalf of White Rock Oil & Gas, LLC.
- 3. The lands described in the caption were designated a permanent spacing unit for production from the Madison Group by Montana Board of Oil and Gas Conservation Order 51-1979.
- 4. Evidence presented at the time of the hearing supports an additional Madison Group well in the  $S\frac{1}{2}$  of Section 30, T23N-R60E, Richland County, Montana.
- 5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# <u>Order</u>

IT IS THEREFORE ORDERED by the Board that White Rock Oil & Gas, LLC is authorized to re-complete its Federal 15-30 well as a Madison Group well in the permanent spacing unit comprised of the S½ of Section 30, T23N-R60E, Richland County, Montana, located in the SW¼SE¼ in Section 30, as an exception to Board Order 51-1979.

# BOARD ORDER NO. 41-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T26N-R57E AND ALL OF SECTION 33, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELL, AND APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

APPLICANT REQUESTS THAT BOARD ORDER 40-2017 PERTAINING TO SECTIONS 33 AND 34, T27N-R57E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE SHAYLA 34-33 #1H WELL.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDER 376-2012 THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T26N-R57E.

Docket No. 53-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. Sections 33 and 34, T27N-R57E, were designated a permanent spacing unit by Order 39-2017, and Bakken/Three Forks interests within the spacing unit were pooled by Order 40-2017.

ORDER 42-2022

# BOARD ORDER NO. 42-2022

- 4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Shayla 34-33 #1H well.
- 5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

### Order

IT IS THEREFORE ORDERED by the Board that all of Sections 4 and 9, T26N-R57E and all of Section 33, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

IT IS FURTHER ORDERED that the pooling order established by Board Order 40-2017 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Shayla 34-33 #1H well.

IT IS FURTHER ORDERED that Board Order 376-2012 is hereby vacated.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 42-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

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

Roy Brown, Chairman

	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T26N-R57E AND ALL OF SECTION 33, T27N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 43-2022

Docket No. 54-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Uriah Price, attorney, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC.
- 3. The lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 42-2022.
- 4. Evidence presented at the time of the hearing supports the drilling of up to three additional horizontal Bakken/Three Forks interval wells in Sections 4 and 9, T26N-R57E and Section 33, T27N-R57E, Richland and Roosevelt Counties, Montana.
- 5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

### Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 4 and 9, T26N-R57E and all of Section 33, T27N-R57E, Richland and Roosevelt Counties, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

# BOARD ORDER NO. 43-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF BEHM ENERGY, INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SE¼SW¼NE¼, SW¼SE¼NE¼, NE¼NW¼SE¼, AND NW¼NE¼SE¼ OF SECTION 27, T35N-R20E, BLAINE COUNTY, MONTANA, TO DRILL A SAWTOOTH FORMATION TEST WELL AT ANY LOCATION NOT CLOSER THAN 330' FROM THE EXTERIOR BOUNDARIES THEREOF, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 44-2022

Docket No. 55-2022

### Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
  - 2. Don Lee, attorney, and Eric Johnson, geophysicist, appeared on behalf of Behm Energy, Inc.
- 3. Applicant is requesting the designation of a 40-acre temporary spacing unit to drill a Sawtooth Formation oil test well at a location not in compliance with the requirements established under A.R.M. 36.22.702.
- 4. Applicant also states that it is its intent to apply for permanent spacing if the well is drilled and completed as a well capable of commercial production.
- 5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# <u>Order</u>

IT IS THEREFORE ORDERED by the Board that the SE¼SW¼NE¼, SW¼SE¼NE¼, NE¼NW¼SE¼, and NW¼NE¼SE¼ of Section 27, T35N-R20E, Blaine County, Montana is designated a temporary spacing unit to drill a Sawtooth Formation test well anywhere within said temporary spacing unit but not closer than 330' from the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that should the well be successful an application for designation of a permanent spacing will be filed within 90 days of completion.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Loff Witholm Doord Mombor
	Jeff Wivholm, Board Member
ATTEST:	
ATTEST.	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF LONEWOLF OPERATING, LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF E½NE¼SW¼ AND W½NW¼SE¼ OF SECTION 32, T35N-R21E, BLAINE COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE SAWTOOTH FORMATION WITH RESPECT TO THE FIREMOON #11-32 WELL.

ORDER 45-2022

Docket No. 56-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Trent Sizemore, general manager, appeared on behalf of Lonewolf Operating, LLC.
- 3. The lands described in the caption were designated a temporary spacing unit for production of oil from the Sawtooth Formation by Montana Board of Oil and Gas Conservation Order 59-2021. Applicant has completed the Firemoon #11-32 well as a producing well.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

### Order

IT IS THEREFORE ORDERED by the Board that the E½NE¼SW¼ and W½NW¼SE¼ of Section 32, T35N-R21E, Blaine County, Montana, is designated a permanent spacing unit for the production of oil and associated natural gas from the Sawtooth Formation.

IT IS FURTHER ORDERED that the Firemoon #11-32 well is the authorized well for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
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	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO VACATE BOARD ORDER 41-2021 AND AUTHORIZE THE DRILLING OF A DEADWOOD FORMATION OIL AND GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 440' FNL AND 450' FEL IN SECTION 17, T4N-R62E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 46-2022

Docket No. 57-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Uriah Price, attorney, Kent Foster, landman, Allen Kimble, geologist, and Rachel Lint, petroleum engineer, appeared on behalf of Denbury Onshore, LLC.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# Order

IT IS THEREFORE ORDERED by the Board that Denbury Onshore, LLC is authorized to drill a Deadwood Formation oil and gas test well at the proposed location of approximately 440' FNL and 450' FEL in Section 17, T4N-R62E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

IT IS FURTHER ORDERED that Board Order 41-2021 is hereby vacated.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

# BOARD ORDER NO. 46-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

# Roy Brown, Chairman Steven Durrett, Vice-Chairman Paul Gatzemeier, Board Member Mac McDermott, Board Member Joseph Michael Weber, Board Member Corey Welter, Board Member

Jeff Wivholm, Board Member

BOARD OF OIL AND GAS CONSERVATION

ATTEST:
Jennifer Breton, Program Specialist

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO VACATE BOARD ORDER 87-2021, WHICH CREATED A PILOT ENHANCED RECOVERY PROJECT CONSISTING OF PORTIONS OF SECTIONS 8, 16, 17, 20, 21 OF T10N-R58E, AND TO DESIGNATE A PILOT ENHANCED RECOVERY PROJECT PURSUANT TO A.R.M. 36.22.1229 IN THE MADISON GROUP INCLUDING THE S½SE¼ AND SE¼SW¼ OF SECTION 8, SW¼SW¼ OF SECTION 9, W½ OF SECTION 16, AND THE E½, E½W½ OF SECTION 17, T10N-R58E, FALLON COUNTY, MONTANA, FOR A PERIOD NOT TO EXCEED EIGHTEEN MONTHS FROM THE COMMENCEMENT OF INJECTION OPERATIONS.

ORDER 47-2022

Docket No. 58-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Uriah Price, attorney, Clayton Breckenridge, landman, Allen Kimble, geologist, and Rachel Lint, petroleum engineer, appeared on behalf of Denbury Onshore, LLC (Denbury).
- 3. Denbury clarified at the hearing that its application was requesting 200' setbacks to the proposed project boundaries for any well drilled to the Madison Group within the project area.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1229 have been met.

# Order

IT IS THEREFORE ORDERED by the Board that Denbury Onshore, LLC is authorized to commence a pilot enhanced recovery project in the Madison Group involving the S½SE¼, SE¼SW¼ of Section 8, SW¼SW¼ of Section 9, W½ of Section 16, and E½, E½W½ of Section 17, T10N-R58E, Fallon County, Montana.

IT IS FURTHER ORDERED that the applicant may drill or utilize additional wells as necessary to operate its pilot enhanced recovery project but no well may be closer than 200' to the project area boundaries.

IT IS FURTHER ORDERED that the injection period authorized under this order is limited to 18 months from the date of initial injection.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Taul Galzenicier, Board Weiniber
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF VECTA OIL & GAS, LTD. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE W½SW¼ OF SECTION 17 AND THE E½SE¼ OF SECTION 18, T30N-R48E, ROOSEVELT COUNTY, MONTANA, TO DRILL A NISKU FORMATION TEST WELL AT A PROPOSED LOCATION APPROXIMATELY 2,340' FSL AND 383' FEL IN SECTION 18, AS AN EXCEPTION TO BOARD ORDER 6-1965. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION. (TULE CREEK FIELD)

ORDER 49-2022

Docket No. 59-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Darin Johnson, attorney, William Untiedt, landman, and David Bowen, geologist, appeared on behalf of Vecta Oil & Gas, LTD (Vecta).
- 3. Vecta proposes to drill a Nisku Formation test well at a location not in compliance with Tule Creek Field rules established by Board Order 6-1965 and is requesting the designation of a new temporary spacing unit for the well.
- 4. Darrah Oil Company, LLC (Darrah) operates two wells in the proposed temporary spacing unit that have been shut-in for over four years. Vecta testified that Darrah holds no leasehold interest in the proposed spacing unit. Darrah was provided noticed of the application.
- 5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# Order

IT IS THEREFORE ORDERED by the Board that the W½SW¼ of Section 17 and the E½SE¼ of Section 18, T30N-R48E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Nisku Formation test well at the proposed location of approximately 2,340' FSL and 383' FEL in Section 18, as an exception to Board Order 6-1965.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Tooley Michael Wester, Bourd Memoer
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF VECTA OIL & GAS, LTD. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SE¼ OF SECTION 30, T31N-R48E, ROOSEVELT COUNTY, MONTANA, TO DRILL A NISKU FORMATION TEST WELL AT A PROPOSED LOCATION APPROXIMATELY 576' FSL AND 1,443' FEL IN SECTION 30, AS AN EXCEPTION TO BOARD ORDER 6-1965. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION. (EAST BENRUD FIELD)

ORDER 50-2022

Docket No. 60-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Darin Johnson, attorney, William Untiedt, landman, and David Bowen, geologist, appeared on behalf of Vecta Oil & Gas, LTD.
- 3. The SE¼ of Section 30, T31N-R48E, is a permanent spacing unit in East Benrud Field with drilling and spacing rules established by Board Order 6-1965. Vecta clarified at the hearing they are requesting an exception to the setback requirement of East Benrud Field to drill closer than 660' to the boundaries of the existing spacing unit and that designation of a temporary spacing unit was unnecessary.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

### Order

IT IS THEREFORE ORDERED by the Board that Vecta Oil & Gas, LTD is authorized to drill a Nisku Formation test well at the proposed location of approximately 576' FSL and 1,443' FEL in Section 30, T31N-R48E, Roosevelt County, Montana, as an exception to East Benrud Field rules under Board Order 6-1965.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF VECTA OIL & GAS, LTD. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE S½SW¼ OF SECTION 8 AND THE N½NW¼ OF SECTION 17, T30N-R48E, ROOSEVELT COUNTY, MONTANA, TO DRILL A NISKU FORMATION TEST WELL AT A PROPOSED LOCATION APPROXIMATELY 182' FNL AND 1,023' FWL IN SECTION 17, AS AN EXCEPTION TO BOARD ORDER 6-1965 AND A.R.M. 36.22.702. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION. (TULE CREEK FIELD)

ORDER 51-2022

Docket No. 61-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Darin Johnson, attorney, William Untiedt, landman, and David Bowen, geologist, appeared on behalf of Vecta Oil & Gas, LTD.
- 3. Vecta proposed the designation of a temporary spacing unit to drill a Nisku Formation test well at a location closer than 660' to the boundaries of an existing permanent spacing within Tule Creek Field. The proposed temporary spacing unit also includes the S½SW¼ of Section 8, T30N-R48E which is subject to spacing under A.R.M. 36.22.702.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# Order

IT IS THEREFORE ORDERED by the Board that the S½SW¼ of Section 8 and the N½NW¼ of Section 17, T30N-R48E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Nisku Formation test well at the proposed location of approximately 182' FNL and 1,023' FWL in Section 17, as an exception to Board Order 6-1965 and A.R.M. 36.22.702.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	-

UPON THE APPLICATION OF D&H ENERGY, LLC TO CONVERT THE ANDERSON #1 WELL (API #25-101-22495) IN THE NE½SE½ OF SECTION 26, T35N-R1W, TOOLE COUNTY, MONTANA (KEVIN EAST NISKU, OIL FIELD) TO A SALTWATER DISPOSAL WELL IN THE MADISON FORMATION AT A DEPTH OF 2,400-2,435 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED SINCE THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 48-2022

Docket No. 62-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Mac McDermott recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

# Order

IT IS THEREFORE ORDERED by the Board that the application of D&H Energy, LLC is granted as applied for subject to stipulations on the sundry notice.

ATTEST:

Jennifer Breton, Program Specialist

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

# Roy Brown, Chairman Steven Durrett, Vice-Chairman Paul Gatzemeier, Board Member Mac McDermott, Board Member (recused) Joseph Michael Weber, Board Member Corey Welter, Board Member

UPON THE APPLICATION OF CARDINAL OIL, LLC TO CONVERT THE ALLEN 10-31 22-27-H1 WELL (API #25-087-21750) IN THE SE¼SE¼ OF SECTION 22, T10N-R31E, ROSEBUD COUNTY, MONTANA TO A SALTWATER DISPOSAL WELL IN THE HEATH FORMATION AT A DEPTH OF APPROXIMATELY 5,207 FT.

ORDER 58-2022

Docket No. 63-2022

### Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Corey Welter recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Scotti Gray, attorney, Carter Stewart, geologist, and Danny Green, consulting petroleum engineer, appeared on behalf of Cardinal Oil, LLC.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

# <u>Order</u>

IT IS THEREFORE ORDERED by the Board that Cardinal Oil, LLC is authorized to convert the Allen 10-31 22-27-H1 well (API # 25-087-21750) in the SE¼SE¼ of Section 22, T10N-R31E, Rosebud County, Montana, to a saltwater injection well in the Heath Formation at a depth of approximately 5,207 feet, subject to stipulations on the Sundry Notice.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member (recused)
	Jeff Wivholm, Board Member
TEST:	
nifer Breton, Program Specialist	

UPON THE APPLICATION OF FALCON ENERGY PARTNERS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE NE½NW¼ 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.

ORDER 53-2022

Docket No. 99-2021

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Shane Schwindt, managing member, represented Chelin LLC, that has acquired the #1 Simmes Ranch 21-13 well from Falcon Energy Partners LLC.
- 3. The NE½NW¼ of Section 13, T36N-R3W comprises a statewide temporary spacing unit for production from the Middle Bakken Formation. Applicant has completed the #1 Simmes Ranch 21-13 well as a producing well.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

# Order

IT IS THEREFORE ORDERED by the Board that the NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 13, T36N-R3W, Toole County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Middle Bakken Formation.

IT IS FURTHER ORDERED that the #1 Simmes Ranch 21-13 well is the authorized well for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Loff Witholm Doord Mombor
	Jeff Wivholm, Board Member
ATTEST:	
ATTEST.	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF FALCON ENERGY PARTNERS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE NE½NW¼ 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.

ORDER 54-2022

Docket No. 100-2021

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Shane Schwindt, managing member, represented Chelin LLC, that has acquired the #1 Simmes Ranch 21-13 well from Falcon Energy Partners LLC.
- 3. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 53-2022.
- 4. The applicant has made a good-faith attempt to voluntarily pool the interests within the permanent spacing unit but has been unsuccessful.
  - 5. All refusing owners were given proper and sufficient notice as required under § 82-11-202.
- 6. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

# Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of the NE½NW½ of Section 13, T36N-R3W, Toole County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Middle Bakken Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the #1 Simmes Ranch 21-13 well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 16<sup>th</sup> day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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 THE MCGINNIS 2R-34 WELL, API # 25-083-21298, LOCATED IN THE SW¼NE¼NE¼ OF SECTION 34, T26N-R57E, IN RICHLAND COUNTY, MONTANA, FROM UNIT PETROLEUM COMPANY TO EMPIRE NORTH DAKOTA LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 55-2022

Docket No. 64-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Josh Cornell, vice president of land, legal, regulatory, and business development, appeared on behalf of Empire North Dakota LLC (Empire).
  - 3. The Board and its staff reviewed Empire's change of operator request from Unit Petroleum Company.
- 4. Empire is making an effort to reduce its shut-in well count and stated that it plans to work on five wells this summer.
- 5. The Board determined that Empire's existing \$50,000 multiple well plugging and reclamation bond is adequate and in accordance with ARM 36.22.1308(3).
- 6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that taking the following action is appropriate.

# Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

IT IS FURTHER ORDERED that staff will continue to monitor Empire North Dakota LLC's efforts to reduce its plugging liability.

IT IS FURTHER ORDERED that staff will provide the Board an update in six months of Empire North Dakota LLC's progress to reduce its plugging liability.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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 THE #1 SIMMES RANCH 21-13 WELL, API # 101-24281, LOCATED IN THE NE½NW¼ OF SECTION 13, T36N-R3W, IN TOOLE COUNTY, MONTANA, FROM FALCON ENERGY PARTNERS LLC TO CHELIN LLC AND THE WEST COAST FEE 1 WELL, API # 101-21752, LOCATED IN THE SE¼SW¼ OF SECTION 14, T34N-R4W, TOOLE COUNTY, MONTANA, FROM MLB, LLC TO CHELIN LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 52-2022

Docket No. 40-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
  - 2. Don Lee, attorney, and Shane Schwindt, managing member, appeared on behalf of Chelin LLC (Chelin).
- 3. The Board and its staff reviewed Chelin's change of operator request from Falcon Energy Partners LLC and MLB, LLC.
  - 4. Chelin stated that it plans to plug and abandon three wells by the Fall of 2022.
- 5. Staff noted that completion data must be filed for the 1 Simmes Ranch 21-13 well, as required by ARM 36.22.1013, and will be a part of the administrative review prior to approval of a change of operator.
- 6. The Board determined that Chelin's existing \$50,000 multiple well plugging and reclamation bond is adequate and in accordance with ARM 36.22.1308(3).
- 7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that taking the following action is appropriate.

# Order

IT IS THEREFORE ORDERED that staff may proceed with administrative review and approval of the change of operator request.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE BOARD'S OWN MOTION TO REQUIRE BLUEBIRD ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS AT ITS FLYING MONKEY 1H WELL, SECTION 14, T10N-R34E, ROSEBUD COUNTY, MONTANA.

ORDER 56-2022

Docket No. 68-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Corey Welter recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Scotti Gray, attorney, Carter Stewart, geologist, and Danny Green, consulting petroleum engineer, appeared on behalf of Bluebird Energy, LLC (Bluebird).
- 3. Administrative order 7-A-2022, issued on April 13, 2022, directed Bluebird to immediately cease using and begin to remove all fluids from the pit associated with the Flying Monkey 1H well. Bluebird is subject to a \$150 fine for each day after June 20, 2022, that the fluids are not removed from the pit.
- 4. At the time of hearing, the oil had been removed from the pit. Bluebird will inject the remaining fluid into the Allen 10-31 22-27-H1 disposal well operated by Cardinal Oil, LLC following approval of the Class II injection permit.
  - 5. Staff recommended the docket be dismissed.
- 6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that taking the following action is appropriate.

# Order

IT IS THEREFORE ORDERED by the Board that Docket 69-2022 is dismissed.

IT IS FURTHER ORDERED that the penalty assessed in Administrative Order 7-A-2022 scheduled to begin on June 20, 2022, is vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member (recused)
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE BOARD'S OWN MOTION TO REQUIRE CARDINAL OIL, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS AT ITS ALLEN 10-31 23-27-H1 WELL, SECTION 22, T10N-R31E, ROSEBUD COUNTY, MONTANA.

ORDER 57-2022

Docket No. 69-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Corey Welter recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Scotti Gray, attorney, Carter Stewart, geologist, and Danny Green, consulting petroleum engineer, appeared on behalf of Cardinal Oil, LLC (Cardinal).
- 3. Administrative order 8-A-2022, issued on April 13, 2022, directed Cardinal to immediately cease using and begin to remove all fluids from the pit associated with the Allen 10-31 22-27-H1 well. Cardinal is subject to a \$150 fine for each day after June 20, 2022, that the that the fluids are not removed from the pit.
- 4. At the time of hearing, the oil had been removed from the pit. Cardinal submitted an application to convert the Allen 10-31 22-27-H1 to a disposal well and intends to inject the remaining fluids from the pit when that application is approved. The reserve pit is being closed and a new permitted disposal pit will be constructed.
  - 5. Staff recommended the docket be dismissed.
- 6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Conclusions of Law

The Board concludes that taking the following action is appropriate.

# Order

IT IS THEREFORE ORDERED by the Board that Docket 69-2022 is dismissed.

IT IS FURTHER ORDERED that the penalty assessed in Administrative Order 8-A-2022 scheduled to begin on June 20, 2022, is vacated.

ATTEST:

Jennifer Breton, Program Specialist

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# Roy Brown, Chairman Steven Durrett, Vice-Chairman Paul Gatzemeier, Board Member Mac McDermott, Board Member Joseph Michael Weber, Board Member Corey Welter, Board Member (recused)

UPON THE BOARD'S OWN MOTION TO REQUIRE SEYMOUR, JAMES & LORRAINE 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 SEYMOUR, JAMES & LORRAINE TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 59-2022

Docket No. 72-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
  - 2. No one appeared on behalf of Seymour, James & Lorraine (Seymour).
- 3. Seymour filed the delinquent production reports prior to this hearing but has not paid the outstanding fine of \$120.
- 4. In the last five years, Seymour was fined one other time for delinquent reporting, which was docketed for show cause.
- 5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

# Order

IT IS THEREFORE ORDERED that Seymour, James & Lorraine is fined \$1,000 for failure to appear at the June 16, 2022, public hearing.

IT IS FURTHER ORDERED that Seymour James & Lorraine is to appear at the August 18, 2022, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting.

IT IS FURTHER ORDERED that staff may dismiss this matter should the penalties for delinquent reporting and failure to appear at this hearing are received prior to the August 18, 2022, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Character Was Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Corey Welter, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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 VIOLATIONS AT ITS INDIAN MOUND 1 WELL, SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA.

ORDER 60-2022

Docket No. 108-2021

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Chris Blount, president, appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold).
- 3. In June 2021, severe storms destroyed the building that housed a disposal pit at the upper portion of the Indian Mound 1 location leaving the pit open to the environment. The now open pit contains produced water, waste oil, and oil sludge.
- 4. A field inspection on September 15, 2021, discovered the open pit and other field compliance violations including:
  - contaminated soil around the location and at leaking tanks
  - scattered garbage and debris
  - used filter socks on the ground and in open dumpsters
  - weeds
- 5. A certified letter was sent to Black Gold on September 16, 2021, and delivered on September 18, 2021, addressing the field violations, with a deadline of the October 13, 2021, business meeting to come into compliance or the matter would be discussed with the Board. Mr. Blount was also informed of the violations through a telephone call on September 21, 2021.
- 6. No work had been done to address the field violations by the October 13, 2021, deadline, and Black Gold was ordered to appear at the December 2, 2021, public hearing.
- 7. At the December 2, 2021, public hearing the violations remained unresolved. Black Gold failed to appear with legal counsel and the matter was continued to the February 17, 2022, public hearing.

# BOARD ORDER NO. 60-2022

- 8. Black Gold again failed to appear with legal counsel at the February 17, 2022, public hearing and was fined \$1,000. Board Order 14-2022 was issued that established a \$250 per day fine beginning on March 4, 2022, for each day that Black Gold failed to fence, screen, and net the open pit that contained oil as required by ARM 36.22.1223.
- 9. Black Gold failed to appear with legal counsel at the April 14, 2022, public hearing, and was fined \$1,000. The docket was continued to the June 16, 2022, public hearing.
- 10. At the time of this hearing, the open pit has roof trusses and wood pallets laid across it with chicken wire to act as netting but is not fenced.
  - 11. None of the other field violations identified in Findings of Fact 4 have been addressed.
- 12. Due to the pit no longer being contained inside a building, ARM 36.22.1226 and ARM 36.22.1227 are now applicable and a pit permit is required. The waste oil and sludge in the pit may also be a violation of ARM 36.22.1207.
  - 13. Black Gold testified that it could achieve full compliance by August 1, 2022.
- 14. Black Gold is also four months delinquent on injection reporting and an administrative penalty of \$60 has been assessed in accordance with the Board policy on delinquent reporting.
- 15. To date Black Gold has an outstanding fine of \$28,060. The fine includes \$2,000 for failure to appear at the February 17, 2022, and April 14, 2022, public hearings, \$60 for delinquent injection reports, and \$26,000 for failure to have the pit fenced, screened, and netted.
- 16. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

The Board concludes that the respondent was properly notified of the hearing, per the requirements of § 82-11-141, MCA.

### Order

IT IS THEREFORE ORDERED by the Board that all violations must be addressed by August 1, 2022.

IT IS FURTHER ORDERED that the \$250 fine per day will continue until the pit is fenced. The fine will remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that Docket 108-2021 is continued until the August 18, 2022, public hearing where additional penalties will be applied should the Indian Mound 1 well and location not be in full compliance with Board rules.

# BOARD ORDER NO. 60-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Jeff Wivholm, Board Member
	I dissent
	Corey Welter, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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 VIOLATIONS AT ITS VELMA SWD 1-10 WELL, SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA.

ORDER 61-2022

Docket No. 109-2021

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
- 2. Don Lee, attorney, and Chris Blount, president, appeared on behalf of Black Gold Energy Richland Facility, Inc. (Black Gold).
- 3. A field inspection on September 14, 2021, discovered field compliance violations including scattered garbage and an incorrect well identification sign. A certified letter was sent to Black Gold on September 16, 2021, and delivered on September 18, 2021, addressing the field violations, and gave a deadline of the October 13, 2021, business meeting to come into compliance or the matter would be discussed with the Board. Mr. Blount was also informed of the violations through a telephone call on September 21, 2021.
- 4. No work had been done to address the field violations by the October 13, 2021, deadline, and Black Gold was ordered to appear at the December 2, 2021, public hearing.
- 5. At the December 2, 2021, public hearing the violations remained unresolved. Black Gold failed to appear with legal counsel and the matter was continued to the February 17, 2022, public hearing.
- 6. Black Gold failed to appear with legal counsel at the February 17, 2022, and April 14, 2022, public hearings and was fined \$1,000 each time.
  - 7. At the time of this hearing, the field compliance violations remain unresolved.
- 8. Black Gold is also four months delinquent on injection reporting and an administrative penalty of \$60 has been assessed in accordance with Board policy.
- 9. Black Gold has an outstanding fine of \$2,060. This fine amount includes a \$60 penalty for delinquent reporting and a \$2,000 fine for failure to appear at the February 17, 2022, and April 14, 2022, public hearings.

# BOARD ORDER NO. 61-2022

10. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

The Board concludes that the respondent was properly notified of the hearing, per the requirements of § 82-11-141, MCA.

# Order

IT IS THEREFORE ORDERED by the Board that all violations must be addressed by August 1, 2022.

IT IS FURTHER ORDERED that Docket 109-2021 is continued until the August 18, 2022, public hearing where additional penalties will be applied should the Velma SWD 1-10H well and location not be in full compliance with Board rules.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{th}$  day of June, 2022.

	Roy Brown, Chairman
	Steven Durrett, Vice-Chairman
	Steven Burrett, vice-Chairman
	Paul Gatzemeier, Board Member
	Mac McDermott, Board Member
	Joseph Michael Weber, Board Member
	Jeff Wivholm, Board Member
	I dissent
	Corey Welter, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE BOARD'S OWN MOTION TO REQUIRE BUTLER PETROLEUM LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BE REQUIRED TO PLUG AND ABANDON ITS EPU 120 WELL, API # 25-085-21820, LOCATED IN THE SW'4NW'4 OF SECTION 29, T29N-R51E, ROOSEVELT COUNTY, MONTANA.

ORDER 62-2022

Docket No. 43-2022

# Report of the Board

The above entitled cause came on regularly for hearing on June 16, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
  - 2. No one appeared on behalf of Butler Petroleum LLC (Butler Petroleum).
- 3. At the February 16, 2022, business meeting, Butler Petroleum was brought to the Board's attention for its EPU 120 inactive well that has not produced in over two years.
- 4. Poplar Resources LLC (Poplar Resources) has an interest in taking over ownership of the well and to incorporate it into its operations within the East Poplar Field. No change of operation request has been filed.
- 5. Butler Petroleum has an outstanding fine of \$1,000 for failure to appear at the April 14, 2022, public hearing.
- 6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Conclusions of Law

The Board concludes that taking the following action is appropriate.

### Order

IT IS THEREFORE ORDERED by the Board that Docket 43-2022 is continued until the August 18, 2022, public hearing.

IT IS FURTHER ORDERED that Butler Petroleum is fined \$1,000 for failure to appear at the June 16, 2022, public hearing.

# BOARD ORDER NO. 62-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this  $16^{\rm th}$  day of June, 2022.

# Roy Brown, Chairman Steven Durrett, Vice-Chairman Paul Gatzemeier, Board Member Mac McDermott, Board Member Joseph Michael Weber, Board Member Corey Welter, Board Member

Jeff Wivholm, Board Member

ATTEST:			
Jennifer Breto	on, Progra	m Speciali	st