

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 6, 7, AND 18, T26N-R59E, RICHLAND COUNTY, 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 THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL MUST 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.

ORDER 63-2022

APPLICANT REQUESTS THAT BOARD ORDERS 183-2012 AND 118-2015 PERTAINING TO SECTIONS 6 AND 7, T26N-R59E BE AMENDED TO CLARIFY THAT SAID ORDERS ARE LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE STORVIK 7-6 #1H AND STORVIK 7-6 #2H WELLS AND THAT ORDER 185-2012 THAT AUTHORIZED ADDITIONAL WELLS IN THAT SPACING UNIT BE VACATED.

Docket No. 74-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 6 and 7, T26N-R59E, were designated a permanent spacing unit by Order 42-2012, and Bakken/Three Forks interests within the spacing unit were pooled by Order 183-2012 and 118-2015.
4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Storvik 7-6 #1H and Storvik 7-6 #2H wells.
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.

BOARD ORDER NO. 63-2022

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 6, 7, and 18, T26N-R59E, Richland County, 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 183-2012 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Storvik 7-6 #1H well, and the pooling order established by Board Order 118-2015 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Storvik 7-6 #2H well.

IT IS FURTHER ORDERED that Board Order 185-2012 is hereby vacated to the extent said order authorized more than one additional well to be drilled in the permanent spacing unit established by Board Order 42-2012.

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. 63-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF AN ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 6, 7, AND 18, T26N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 64-2022

Docket No. 75-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

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 63-2022.

4. Evidence presented at the time of the hearing supports the drilling of an additional horizontal Bakken/Three Forks interval well in Sections 6, 7, and 18, T26N-R59E, 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.

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill an additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 6, 7, and 18, T26N-R59E, Richland County, 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. 64-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 19, 30, AND 31, T26N-R59E, RICHLAND COUNTY, 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 THEREOF, 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.

ORDER 65-2022

APPLICANT REQUESTS THAT BOARD ORDER 457-2011 PERTAINING TO SECTIONS 19 AND 30, T26N-R59E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE JOHNSON 30-19 #1H WELL AND THAT ORDER 476-2011 THAT AUTHORIZED ADDITIONAL WELLS IN THAT SPACING UNIT BE VACATED.

APPLICANT REQUESTS THAT BOARD ORDER 37-2018 PERTAINING TO SECTIONS 31 AND 32, T26N-R59E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE ELROY 32-31 #1H WELL.

Docket No. 76-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

BOARD ORDER NO. 65-2022

3. Sections 19 and 30, T26N-R59E, were designated a permanent spacing unit by Order 65-2011, and Bakken/Three Forks interests within the spacing unit were pooled by Order 457-2011. Sections 31 and 32, T26N-R59E, were designated a permanent spacing unit by Order 36-2018, and Bakken/Three Forks interests within the spacing unit were pooled by Order 37-2018.

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Johnson 30-19 #1H and Elroy 32-31 #1H wells.

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 19, 30, and 31, T26N-R59E, Richland County, 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 457-2011 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Johnson 30-19 #1H well, and the pooling order established by Board Order 37-2018 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Elroy 32-31 #1H well.

IT IS FURTHER ORDERED that Board Order 476-2011 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. 65-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF AN ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 19, 30, AND 31, T26N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 66-2022

Docket No. 77-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

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 65-2022.

4. Evidence presented at the time of the hearing supports the drilling of an additional horizontal Bakken/Three Forks interval well in Sections 19, 30, and 31, T26N-R59E, 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.

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill an additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 19, 30, and 31, T26N-R59E, Richland County, 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. 66-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 20, 29, AND 32, T26N-R59E, RICHLAND COUNTY, 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 THEREOF, 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.

ORDER 67-2022

APPLICANT REQUESTS THAT BOARD ORDER 337-2007 PERTAINING TO SECTIONS 20 AND 29, T26N-R59E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE MELDAHL 14-29H WELL AND THAT ORDER 346-2011 THAT AUTHORIZED ADDITIONAL WELLS IN THAT SPACING UNIT BE VACATED.

APPLICANT REQUESTS THAT BOARD ORDER 37-2018 PERTAINING TO SECTIONS 31 AND 32, T26N-R59E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE ELROY 32-31 #1H WELL.

Docket No. 78-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

BOARD ORDER NO. 67-2022

3. Sections 20 and 29, T26N-R59E, were designated a permanent spacing unit by Order 337-2007. Sections 31 and 32, T26N-R59E, were designated a permanent spacing unit by Order 36-2018, and Bakken/Three Forks interests within the spacing unit were pooled by Order 37-2018.

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Meldahl 14-29H and Elroy 32-31 #1H wells.

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 20, 29, and 32, T26N-R59E, Richland County, 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 permanent spacing order established by Board Order 337-2007 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Meldahl 14-29H well, and the pooling order established by Board Order 37-2018 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Elroy 32-31 #1H well.

IT IS FURTHER ORDERED that Board Order 346-2011 is hereby vacated.

BOARD ORDER NO. 67-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF AN ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 20, 29, AND 32, T26N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 68-2022

Docket No. 79-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

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 67-2022.

4. Evidence presented at the time of the hearing supports the drilling of an additional horizontal Bakken/Three Forks interval well in Sections 20, 29, and 32, T26N-R59E, 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.

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill an additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 20, 29, and 32, T26N-R59E, Richland County, 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. 68-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 19, 20, 29, 30, 31, AND 32, T26N-R59E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION PROXIMATE TO THE COMMON BOUNDARY BETWEEN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 19, 30, AND 31, T26N-R59E AND THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 20, 29, AND 32, T26N-R59E. OPERATIONS FOR THE DRILLING OF SAID WELL MUST 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.

ORDER 69-2022

Docket No. 80-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 19, 30, and 31, T26N-R59E were designated an overlapping temporary spacing by Order 65-2022 and Sections 20, 29, and 32, T26N-R59E were designated an overlapping temporary spacing by Order 67-2022.
4. Kraken clarified at the hearing that its application requested 200' heel/toe setbacks to the proposed overlapping temporary spacing unit boundary.
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 19, 20, 29, 30, 31, and 32, T26N-R59E, Richland County, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between the overlapping temporary spacing unit comprised of all of Sections 19, 30, and 31, T26N-R59E and the overlapping temporary spacing unit comprised of all of Sections 20, 29, and 32, T26N-R59E but not closer than 200' (heel/toe 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 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 4, 9 AND 16, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE KAI 16-4 #2H, KAI 16-4 #3H, AND KAI 16-4 #4H WELLS.

ORDER 70-2022

Docket No. 81-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 14-2020. Additional wells were authorized within the temporary spacing unit by Board Order 15-2020. Applicant has completed the Kai 16-4 #2H, Kai 16-4 #3H, and Kai 16-4 #4H wells as producing wells.
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.

BOARD ORDER NO. 70-2022

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 4, 9, and 16, T26N-R59, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that the Kai 16-4 #2H, Kai 16-4 #3H, and Kai 16-4 #4H wells are the authorized wells for said permanent spacing unit.

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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 4, 9 AND 16, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE KAI 16-4 #2H, KAI 16-4 #3H, AND KAI 16-4 #4H WELLS.

ORDER 71-2022

Docket No. 82-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 70-2022.
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.

BOARD ORDER NO. 71-2022

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 4, 9, and 16, T26N-R59, Richland and Roosevelt Counties, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks 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 Kai 16-4 #2H, Kai 16-4 #3H, and Kai 16-4 #4H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 23, 24, 25, AND 26, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE ALTUVE 26-23 #1H, ALTUVE 26-23 #2H, ALTUVE 26-23 #3H, ALTUVE 26-23 #4H, ALTUVE 26-23 #5H, AND ALTUVE 26-23 #6H WELLS.

ORDER 72-2022

Docket No. 83-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Larry O'Toole, attorney, appeared on behalf of the Patricia Pruitt Revocable Trust, to protest the application.
4. Kathleen Filler, mineral interest owner, appeared to protest the application. Initially, Ted Doughty, a geologist with no interest in the leasehold, stated that he was there to represent Ms. Filler. Mr. Doughty is not a licensed attorney, and to be consistent with Montana law, an individual who is not a licensed attorney may not represent the interests of a third party. *See* Mont. Code Ann. § 37-61-201. Ms. Filler was afforded the opportunity to make statements and ask questions on her own behalf. Ms. Filler believed she was not provided ample documentation from Kraken prior to the hearing.
5. 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 12-2020. Additional wells were authorized within the temporary spacing unit by Board Order 13-2020. Applicant has completed the Altuve 26-23 #1H, Altuve 26-23 #2H, Altuve 26-23 #3H, Altuve 26-23 #4H, Altuve 26-23 #5H, and Altuve 26-23 #6H wells as producing wells.
6. Evidence and testimony presented at the hearing indicated that all the owners of record of the oil and gas and leasehold interests in the proposed permanent spacing unit were served written notice in accordance with § 82-11-141, MCA.

BOARD ORDER NO. 72-2022

7. It was determined the overlapping temporary spacing for the six wells is necessary to properly drain the spacing unit, protect correlative rights, and orderly develop the field.

8. 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 23, 24, 25, and 26, T26N-R59, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that the Altuve 26-23 #1H, Altuve 26-23 #2H, Altuve 26-23 #3H, Altuve 26-23 #4H, Altuve 26-23 #5H, and Altuve 26-23 #6H are the authorized wells for said permanent spacing unit.

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. 72-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 23, 24, 25, AND 26, T26N-R59E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE ALTUVE 26-23 #1H, ALTUVE 26-23 #2H, ALTUVE 26-23 #3H, ALTUVE 26-23 #4H, ALTUVE 26-23 #5H, AND ALTUVE 26-23 #6H WELLS.

ORDER 73-2022

Docket No. 84-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
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 72-2022.
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.

BOARD ORDER NO. 73-2022

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 23, 24, 25, and 26, T26N-R59, Richland and Roosevelt Counties, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks 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 Altuve 26-23 #1H, Altuve 26-23 #2H, Altuve 26-23 #3H, Altuve 26-23 #4H, Altuve 26-23 #5H, and Altuve 26-23 #6H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 21 AND THE S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 22, T5N-R61E, FALLON COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE RED RIVER FORMATION WITH RESPECT TO THE BN 34-21H WELL.

ORDER 81-2022

Docket No. 87-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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, Emily Fields, geologist, and Rachel Lint, reservoir engineer, appeared on behalf of Denbury Onshore, LLC (Denbury).
3. The BN 34-21H well was recompleted in 2005 as a horizontal well in the Little Beaver federal exploratory unit and subsequently determined to be a non-paying well. Designation of a spacing unit is required to allow distribution of royalty.
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.

BOARD ORDER NO. 81-2022

Order

IT IS THEREFORE ORDERED by the Board that the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21 and the S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, T5N-R61E, Fallon County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Red River Formation.

IT IS FURTHER ORDERED that the BN 34-21H well is the authorized well for said permanent spacing unit.

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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF DRAWINGS, LLC TO AUTHORIZE THE DRILLING OF AN ADDITIONAL NISKU FORMATION WELL ANYWHERE WITHIN THE PERMANENT SPACING UNIT COMPRISED OF THE E½SW¼ AND W½SE¼ OF SECTION 11, T29N-R48E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 660' SETBACK TO THE EXTERIOR BOUNDARIES THEREOF, WITH A 75' TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 82-2022

Docket No. 88-2022 / 4-2022 FED

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, and Richard D'Angelo, chief operating officer, appeared on behalf of Drawings, LLC (Drawings).
3. The lands described in the caption were designated a permanent spacing unit for production from the Nisku Formation by Federal Order 1-1989.
4. Evidence presented at the time of the hearing supports the drilling of an additional Nisku Formation well within the boundaries of the established permanent spacing unit.
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.

BOARD ORDER NO. 82-2022

Order

IT IS THEREFORE ORDERED by the Board that Drawings, LLC is authorized to drill an additional Nisku Formation well in the permanent spacing unit comprised of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 11, T29N-R48E, Roosevelt County, Montana, said well to be located anywhere within said spacing unit but not closer than 660' setbacks to the boundaries with a 75' tolerance in any direction for topographic reasons, as an exception to A.R.M. 36.22.702

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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF PETROX PETROLEUM COMPANY TO
CONVERT THE AAKRE 9 WELL (API #25-073-21668) IN THE
SE¼SW¼ OF SECTION 5, T27N-R4W, PONDERA COUNTY,
MONTANA (PONDERA FIELD) TO A SALTWATER DISPOSAL
WELL IN THE MADISON FORMATION AT A DEPTH OF
APPROXIMATELY 2,084-2,088 FT.

ORDER 74-2022

Docket No. 89-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. 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 Petrox Petroleum Company is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 74-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF PETROX PETROLEUM COMPANY TO
CONVERT THE AAKRE 3 WELL (API #25-073-21503) IN THE
SE¼SW¼ OF SECTION 5, T27N-R4W, PONDERA COUNTY,
MONTANA (PONDERA FIELD) TO A SALTWATER DISPOSAL
WELL IN THE MADISON FORMATION AT A DEPTH OF
APPROXIMATELY 2,081-2,083 FT.

ORDER 75-2022

Docket No. 90-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. 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 Petrox Petroleum Company is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 75-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF HYDRA MT LLC TO DRILL THE
RAFFAELL 17-2H SWD WELL IN THE NW¼NW¼ OF SECTION 17,
T25N-R59E, RICHLAND COUNTY, MONTANA (FAIRVIEW FIELD)
AS A SALTWATER DISPOSAL WELL IN THE DAKOTA
FORMATION AT A DEPTH OF 4,805-5,729 FT.

ORDER 76-2022

Docket No. 91-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. 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 Hydra MT LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 76-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF HYDRA MT LLC TO DRILL THE
RAFFAELL 17-1 SWD WELL IN THE NW¼NW¼ OF SECTION 17,
T25N-R59E, RICHLAND COUNTY, MONTANA (FAIRVIEW FIELD)
AS A SALTWATER DISPOSAL WELL IN THE DAKOTA
FORMATION AT A DEPTH OF 5,430-5,715 FT.

ORDER 77-2022

Docket No. 92-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. 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 Hydra MT LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 77-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO DRILL THE CABIN CREEK CH 33X-17H WELL IN THE NW¼SE¼ OF SECTION 17, T10N-R58E, FALLON COUNTY, MONTANA (CABIN CREEK FIELD) AS AN ENHANCED RECOVERY INJECTION WELL IN THE MADISON FORMATION AT A DEPTH OF APPROXIMATELY 6,968-7,370 FT.

ORDER 78-2022

Docket No. 93-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. 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 Denbury Onshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 78-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 23, 24, 25, 26, 35, AND 36, T25N-R59E, RICHLAND COUNTY, 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 THEREOF, 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.

ORDER 79-2022

APPLICANT REQUESTS THAT BOARD ORDERS 501-2013 AND 307-2014 PERTAINING TO SECTIONS 25, 26, 35, AND 36, T25N-R59E BE AMENDED TO CLARIFY THAT SAID ORDERS ARE LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE SUNDHEIM 26-35 #1H AND SUNDHEIM 26-35 #2H WELLS AND THAT ORDER 502-2013 THAT AUTHORIZED ADDITIONAL WELLS IN THAT SPACING UNIT BE VACATED.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDERS 316-2014 AND 46-2020 THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 23 AND 24, T25N-R59E, AND AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL WELLS WITHIN THE SPACING UNIT.

Docket No. 26-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

BOARD ORDER NO. 79-2022

3. Sections 25, 26, 35, and 36, T25N-R59E, were designated a permanent spacing unit by Order 500-2013, and Bakken/Three Forks interests within the spacing unit were pooled by Order 501-2013 and 307-2014.

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Sundheim 26-35 #1H and Sundheim 26-35 #2H wells.

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 23, 24, 25, 26, 35, and 36, T25N-R59E, Richland County, 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 501-2013 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Sundheim 26-35 #1H well, and the pooling order established by Board Order 307-2014 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Sundheim 26-35 #2H well.

IT IS FURTHER ORDERED that Board Order 316-2014 and 46-2020 are hereby vacated and Board Order 502-2013 is vacated to the extent said order authorized more than one additional well to be drilled in the permanent spacing unit established by Board Order 500-2013.

BOARD ORDER NO. 79-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

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 23, 24, 25, 26, 35, AND 36, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 80-2022

Docket No. 27-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. John Lee, attorney, Alan White, land manager, and Matt Luna, vice president of development, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

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 79-2022.

4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Section 23, 24, 25, 26, 35, and 36, T25N-R59E, 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.

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 23, 24, 25, 26, 35, and 36, T25N-R59E, Richland County, 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. 80-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR 49 WELLS IN RICHLAND COUNTY, MONTANA, FROM OVINTIV USA INC. TO EMEP OPERATING, LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA. BOARD RECORDS SHOW OVINTIV USA INC. IS RESPONSIBLE FOR 43 PRODUCING WELLS COVERED BY A MULTIPLE WELL BOND. FIVE WELLS INCLUDED IN THE TRANSFER REQUEST HAVE BEEN PLUGGED AND RELEASED FROM BOND AND A DUPLICATE WELL IS LISTED. A LIST OF THE WELLS IS AVAILABLE ONLINE OR IN THE BILLINGS OFFICE FOR REVIEW.

ORDER 83-2022

Docket No. 95-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 Kyle Dubiel, vice president of business development, land, and legal, appeared on behalf of EMEP Operating, LLC (EMEP).
3. The Board and its staff reviewed EMEP's change of operator request from Ovintiv USA Inc. (Ovintiv).
4. EMEP proposed a separate \$50,000 multiple well plugging and reclamation bond that would cover 43 wells, which includes 41 producing wells and two shut-in wells.
5. EMEP is assuming the liability of five plugged and abandoned wells from Ovintiv. Those wells do not require bonding.
6. The Board determined that EMEP proposed plugging and reclamation bonds are 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.

BOARD ORDER NO. 83-2022

Order

IT IS THEREFORE ORDERED by the Board 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 18th day of August, 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

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

UPON THE BOARD'S OWN MOTION TO REQUIRE NEW HORIZON RESOURCES LLC TO APPEAR AT THE AUGUST 18, 2022, PUBLIC HEARING TO PROVIDE AN UPDATE OF ITS ACTIVITIES INCLUDING ANY REDUCTION IN ABANDONMENT LIABILITY BY EITHER PLUGGING WELLS OR RETURNING WELLS TO PRODUCTION, AS REQUIRED BY BOARD ORDER 6-2022.

ORDER 84-2022

Docket No. 96-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 Donald Kessel, chief operating officer, appeared on behalf of New Horizon Resources LLC (New Horizon).
3. New Horizon provided a status report on its efforts to reduce its plugging liability. Since the February 17, 2022, public hearing, New Horizon has plugged seven wells, returned three wells to production, increased staff, and replaced equipment.
4. New Horizon stated that it has currently identified twenty-three wells that need to be plugged and abandoned.
5. New Horizon is working toward electronic filing of production reports.
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 New Horizon appear at the August 2023, public hearing to provide an update of its activities including any reduction in abandonment liability by either plugging wells or returning wells to production.

BOARD ORDER NO. 84-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

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. STAFF MAY DISMISS THIS MATTER SHOULD THE PENALTIES FOR DELINQUENT REPORTING AND FAILURE TO APPEAR AT THE JUNE 16, 2022, HEARING BE RECEIVED PRIOR TO THE AUGUST 18, 2022, PUBLIC HEARING.

ORDER 85-2022

Docket No. 97-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 production reports through June 2022.
4. Seymour has not paid the outstanding fine of \$1,120. This fine amount includes a \$120 penalty for delinquent reporting and \$1,000 for failure to appear at the June 16, 2022, public hearing.
5. In the last five years, Seymour was fined one other time for delinquent reporting, which was docketed for show cause.
6. Board staff has been in contact with James Seymour. He indicated that Seymour is unable to pay the fine. Seymour has one well on its bond with the last reported production in 2012.
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 the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 85-2022

Order

IT IS THEREFORE ORDERED by the Board that Seymour must show cause at the October 13, 2022, public hearing for why it should not immediately plug and abandon its State 8-8 well, API # 25-101-22239, located in the W½SE¼NE¼ of Section 8, T37N-R4W, Toole County, Montana.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE INJECTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$120.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 86-2022

Docket No. 98-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. Black Gold submitted the delinquent injection reports and paid the outstanding fine.
4. Staff recommended the docket be dismissed.
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 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 by the Board that Docket 98-2022 is dismissed.

BOARD ORDER NO. 86-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RICHLAND FACILITY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE INJECTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$120.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS BLACK GOLD ENERGY RICHLAND FACILITY, INC. TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 87-2022

Docket No. 99-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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. Black Gold submitted the delinquent injection reports and paid the outstanding fine.
4. Staff recommended the docket be dismissed.
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 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 by the Board that Docket 99-2022 is dismissed.

BOARD ORDER NO. 87-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY VIOLATIONS AT ITS INDIAN MOUND 1 WELL, SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA.

ORDER 88-2022

Docket No. 108-2021

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 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 in front of the Board. Mr. Blount was also informed of the violations through a telephone call on September 21, 2021.
6. On the October 13, 2021, deadline, no work had been done to address the field violations, 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. 88-2022

8. At the February 17, 2022, public hearing, Black Gold again failed to appear with legal counsel 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. The docket was continued to the April 14, 2022, public hearing.

9. At the April 14, 2022, public hearing, Black Gold again failed to appear with legal counsel and was fined \$1,000. The docket was continued to the June 16, 2022, public hearing.

10. At the June 16, 2022, public hearing, Black Gold appeared with legal counsel and testified that it could achieve full compliance by August 1, 2022. Subsequent Board Order 60-2022 required Black Gold to be in full compliance by August 1, 2022.

11. At the time of this hearing, August 18, 2022, the pit had a roof constructed over it and is no longer required to be fenced, screened, and netted. Termination of the accruing \$250 daily fine was recommended by staff. However, due to the pit not being fully contained within a building, it is required that an earthen dike surround the pit in accordance with ARM 36.22.1102, which it does not have.

12. The additional field violations identified in Findings of Fact 4 remain.

13. To date, Black Gold has an outstanding fine of \$43,500. The fine includes \$2,000 for failure to appear at the February 17 and April 14, 2022, public hearings and \$41,500 accrued fine for failure to have the pit fenced, screened, and netted for 166 days.

14. Mr. Blount offered a 10% payment of the fine if full compliance is not achieved by September 15, 2022.

15. 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.

The Board concludes that the respondent is in violation of ARM 36.22.1102, ARM 36.22.1104, ARM 36.22.1105, and Board Order 60-2022.

Order

IT IS THEREFORE ORDERED by the Board that Black Gold must cease operations at the Indian Mound 1 well and that no additional fluids be transported to the location until violations are remedied and compliance is confirmed by inspection.

IT IS FURTHER ORDERED that Black Gold is fined \$10,000 in conjunction with Docket 109-2021 for failure to be in full compliance with Board rules by August 1, 2022, as required by Board Order 60-2022.

IT IS FURTHER ORDERED that all violations must be addressed by September 15, 2022. Black Gold is subject to a \$10,000 fine in conjunction with Docket 109-2021 for each day after the deadline that the violations remain unaddressed. The fine will remain in effect until compliance is achieved for both Docket 108-2021 and Docket 109-2021.

BOARD ORDER NO. 88-2022

IT IS FURTHER ORDERED that the Board pursue legal action if compliance is not met.

IT IS FURTHER ORDERED that the \$250 daily fine is stopped as of August 17, 2022.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RICHLAND FACILITY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY VIOLATIONS AT ITS VELMA SWD 1-10 WELL, SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA.

ORDER 89-2022

Docket No. 109-2021

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 in front of the Board. Mr. Blount was also informed of the violations through a telephone call on September 21, 2021.
4. On the October 13, 2021, deadline, no work had been done to address the field violations 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. At the February 17, 2022, public hearing, Black Gold failed to appear with legal counsel and was fined \$1,000. The docket was continued to the April 14, 2022, public hearing.
7. At the April 14, 2022, public hearing, Black Gold again failed to appear with legal counsel and was fined \$1,000. The docket was continued to the June 16, 2022, public hearing.
8. At the June 16, 2022, public hearing, Black Gold appeared with legal counsel and testified that it could achieve full compliance by August 1, 2022. Subsequent Board Order 61-2022 required Black Gold to be in full compliance by this date.
9. At the time of this hearing, August 18, 2022, the field compliance violations remain unresolved.

BOARD ORDER NO. 89-2022

10. Black Gold has an outstanding fine of \$2,000 for failure to appear at the February 17, 2022, and April 14, 2022, public hearings.

11. Mr. Blount proposed that if full compliance is not achieved by September 15, 2022, he would transfer ownership of the well to an interested buyer.

12. 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.

The Board concludes that the respondent continues to inject fluids into the well while in violation of ARM 36.22.1101, ARM 36.22.1102, ARM 36.22.1105, ARM 36.22.1207, and Board Order 61-2022.

Order

IT IS THEREFORE ORDERED by the Board that Black Gold must cease operations at the Velma SWD 1-10 well and that no additional fluids be transported to the location until violations are remedied and compliance is confirmed by inspection.

IT IS FURTHER ORDERED that Black Gold is fined \$10,000 in conjunction with Docket 108-2021 for failure to be in full compliance with Board rules by August 1, 2022, as required by Board Order 61-2022.

IT IS FURTHER ORDERED that all violations must be addressed by September 15, 2022. Black Gold is subject to a \$10,000 fine in conjunction with Docket 108-2021 for each day after the deadline that the violations remain unaddressed. The fine will remain in effect until compliance is achieved for both Docket 108-2021 and Docket 109-2021.

IT IS FURTHER ORDERED that the Board pursue legal action if compliance is not met.

BOARD ORDER NO. 89-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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

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

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 SW¼NW¼ OF SECTION 29, T29N-R51E, ROOSEVELT COUNTY, MONTANA.

ORDER 90-2022

Docket No. 43-2022

Report of the Board

The above entitled cause came on regularly for hearing on August 18, 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 expressed an interest in taking over ownership of the well and incorporating 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 \$2,000 for failure to appear at the April 14, 2022, and June 16, 2022, public hearings.
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 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 by the Board that Butler Petroleum must begin to plug and abandon or transfer its EPU 120 well, API # 25-085-21820, located in the SW¼NW¼ of Section 29, T29N-R51E, Roosevelt County, Montana, prior to the October 13, 2022, public hearing. Failure to begin to plug and abandon or transfer the well 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.

BOARD ORDER NO. 90-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 18th day of August, 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