

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

IN THE MATTER OF BEREXCO LLC AND ITS FAILURE
TO PROPERLY MAINTAIN THE ARTHUR 1 WELLSITE
IN SHERIDAN COUNTY, MONTANA AND SUBMIT A
SUBSEQUENT REPORT.

ADMINISTRATIVE ORDER 12-A-2022

Berexco LLC (Berexco) is the operator of the Arthur 1 well, API # 25-091-21493, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, T33N-R57E, Sheridan County, Montana.

On October 20, 2021, the well was plugged. As required under ARM 36.22.1309, "Within 15 days after the plugging of a well, the owner thereof shall file a subsequent report of abandonment with the board setting forth in detail the method used in plugging the well. Such report shall be made on Form No. 2 and shall give a detailed account of the manner in which the abandonment or plugging work was carried out..." No subsequent report was received.

An inspection performed on November 24, 2021, found the wellsite with free oil in treater and tank battery dike, oil contaminated soil at load line, oily rags, and plastic junk containers. Additional time was given to cleanup the wellsite.

On May 25, 2022, a certified letter was sent to Berexco to address the field compliance issues. This letter was delivered on May 31, 2022. Berexco stated it was going to resolve the outstanding compliance issues.

On June 30, 2022, another certified letter was sent to Berexco to address the field compliance issues at the Arthur 1 well location with an August 16, 2022, deadline to address the compliance issues, or this matter would be brought up at the Board Business meeting. Berexco stated cleanup work on the location was going to begin on August 22, 2022.

IT IS THEREFORE ORDERED by the Board that Berexco must have the Arthur 1 well location in compliance and must submit a subsequent report of abandonment prior to the September 8, 2022, hearing application deadline. If compliance is not achieved by that date, Berexco will be ordered to show cause at the October 13, 2022, public hearing why additional penalties should not be considered for failure to remedy the field violations and failure to provide the required report and to provide an update of its activities it has taken to come into compliance.

Dated this 17th day of August, 2022

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator