

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
October 12 & 13, 2022

NOTICE OF PUBLIC HEARING

(CONSERVATION AND PREVENTION
(OF WASTE OF OIL AND GAS

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, October 12, 2022, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Public comment on agenda and non-agenda items
3. Approval of minutes of August 17, 2022, business meeting
4. Plugging and Reclamation Bond Review
5. Longevity & service awards
6. Proposed hearing schedule for 2023
7. Financial report
8. Bond summary & incident report
9. Docket summary
10. Gas flaring exceptions
11. Inactive well review
12. Orphan well and federal grant update
13. Staff reports
14. Other business
15. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, October 13, 2022, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

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

Docket 101-2022

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to designate a permanent spacing unit comprised of all of Sections 13, 24 and 25, T26N-R53E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Devin FIU 3-13H and Devin FIU 4-13H wells.

Docket 102-2022

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 13, 24 and 25, T26N-R53E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Devin FIU 3-13H and Devin FIU 4-13H wells.

Docket 103-2022

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to designate a permanent spacing unit comprised of all of Sections 36, T27N-R53E and all of Sections 1 and 12, T26N-R53E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Tolksdorf 2-12H and Tolksdorf 3-12H wells.

Docket 104-2022

APPLICANT: CONTINENTAL RESOURCES, INC. – RICHLAND COUNTY, MONTANA

Upon the application of **Continental Resources, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 36, T27N-R53E and all of Sections 1 and 12, T26N-R53E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Tolksdorf 2-12H and Tolksdorf 3-12H wells.

Docket 105-2022

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

Upon the application of **Kraken Oil & Gas LLC** to create a temporary spacing unit comprised of all of Sections 22, 27, and 34, T26N-R57E, 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. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests to vacate Board Order 302-2010 that designated a temporary spacing unit comprised of all of Sections 15 and 22, T26N-R57E and Board Order 120-2011 that designated a temporary spacing unit comprised of all of Sections 27 and 34, T26N-R57E.

Docket 106-2022

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, 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 temporary spacing unit comprised of all of Sections 22, 27, and 34, T26N-R57E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 107-2022

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, 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, T28N-R59E, Roosevelt 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.

Applicant requests that Board Order 145-2013 pertaining to Sections 6 and 7, T28N-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 Crusch Ranch 6-7 #1H well and that Order 378-2013 be partially vacated to the extent said order authorized more than one additional well in the spacing unit.

Applicant further requests that Board Order 58-2013 pertaining to Sections 18 and 19, T28N-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 Willard 19-18 #1H and that Order 379-2013 that authorized additional wells in that spacing unit be vacated.

Docket 108-2022

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, 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, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 109-2022

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, 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, T28N-R59E, Roosevelt 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.

Applicant requests that Board Order 58-2013 pertaining to Sections 18 and 19, T28N-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 Willard 19-18 #1H and that Order 379-2013 that authorized additional wells in that spacing unit be vacated.

Applicant further requests that Board Order 59-2013 pertaining to Sections 30 and 31, T28N-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 Wilde 30-31 #1H and that Order 380-2013 that authorized additional wells in that spacing unit be vacated.

Docket 110-2022

APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, 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, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 111-2022

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

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 12, 13, and 24, T26N-R58E, 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.

Applicant requests that Board Order 149-2013 pertaining to Sections 13 and 24, T26N-R58E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Shirley 13-24 #1H and that Order 381-2013 that authorized additional wells in that spacing unit be vacated.

Docket 112-2022

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, 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 12, 13, and 24, T26N-R58E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 113-2022

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND AND ROOSEVELT COUNTIES, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 24, 25, and 36, T26N-R58E and all of Sections 19, 30, and 31, T26N-R59E, Richland and Roosevelt Counties, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between all of Sections 24, 25, and 36, T26N-R58E and all of Sections 19, 30, and 31, T26N-R59E, with a 200' heel/toe setback to the exterior boundaries thereof. 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.

Docket 114-2022

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND AND ROOSEVELT COUNTIES, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 1, 12, and 13, T26N-R58E and all of Sections 6, 7, and 18, T26N-R59E, Richland and Roosevelt Counties, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between all of Sections 1, 12, and 13, T26N-R58E and all of Sections 6, 7, and 18, T26N-R59E, with a 200' heel/toe setback to the exterior boundaries thereof. 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.

Docket 115-2022

APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of the $W\frac{1}{2}W\frac{1}{2}$ of Section 34, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Turner 34-1H well.

Docket 116-2022

APPLICANT: AVANTI ENERGY MONTANA, INC. – LIBERTY COUNTY, MONTANA

Upon the application of **Avanti Energy Montana, Inc.** to drill a natural gas test well to a formation below the top of the Madison Group at a proposed well location approximately 706' FSL and 1,375' FWL in Section 13, T36N-R6E, Liberty County, Montana, as an exception to A.R.M. 36.22.702(11). Applicant will apply for permanent spacing within 90 days of successful well completion. Applicant requests placement on the Default Docket.

Docket 117-2022

APPLICANT: LUSTRE OIL COMPANY LLC – VALLEY COUNTY, MONTANA

Upon the application of **Lustre Oil Company LLC** to create a temporary spacing unit comprised of the $SE\frac{1}{4}SW\frac{1}{4}$ and $SW\frac{1}{4}SE\frac{1}{4}$ of Section 17, T31N-R44E, Valley County, Montana, to drill a vertical Madison Formation well at any location not closer than 330' from the exterior boundaries thereof, as an exception to Board Order 19-1983. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 118-2022

APPLICANT: HYDRA MT LLC. – RICHLAND COUNTY, MONTANA

Upon the application of **Hydra MT LLC** to drill the Leonardo 18-1H SWD well in the $NW\frac{1}{4}NE\frac{1}{4}$ of Section 18, T25N-R59E, Richland County, Montana (Fairview Field) as a saltwater disposal well in the Dakota Formation at a depth of 4,796-5,720 ft. Staff notes this application is eligible for placement on the default docket.

Docket 85-2022
Continued from August 2022

APPLICANT: BLUEBIRD ENERGY, LLC – ROSEBUD COUNTY, MONTANA

Upon the application of **Bluebird Energy, LLC** to designate a permanent spacing unit comprised of the W½ of Section 11 and the W½ of Section 14, T10N-R34E, Rosebud County, Montana, for the production of oil and associated natural gas from the Heath Formation with respect to the Flying Monkey #1H well.

Docket 86 -2022
Continued from August 2022

APPLICANT: BLUEBIRD ENERGY, LLC – ROSEBUD COUNTY, MONTANA

Upon the application of **Bluebird Energy, LLC** to designate a permanent spacing unit comprised of the W½ of Section 9 and the W½ of Section 16, T11N-R34E, Rosebud County, Montana, for the production of oil and associated natural gas from the Heath Formation with respect to the Golden Monkey #1H well.

Docket 119-2022

APPLICANT: RIDGE ENERGY, LLC – RICHLAND AND ROOSEVELT COUNTIES, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 9 wells in Richland and Roosevelt Counties, Montana, from **Northern Oil Production, Inc. to Ridge Energy, LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA. A list of the wells is available online or in the Billings office for review.

Docket 94-2022
Continued from August 2022

APPLICANT: MONTALBAN OIL & GAS OPERATIONS, INC. – GLACIER AND TOOLE COUNTIES, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 51 wells in Glacier and Toole Counties, Montana, from **Croft Petroleum Co to Montalban Oil & Gas Operations, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA. Of the wells involved in the transfer, Board records show Croft Petroleum Co is responsible for 40 producing wells covered by a multiple well bond and 11 federally bonded wells. A list of the wells is available online or in the Billings office for review.

Docket 120-2022
SHOW-CAUSE HEARING

RESPONDENT: APEX ENERGY LLC – ROOSEVELT COUNTY, MONTANA

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

Docket 121-2022
SHOW-CAUSE HEARING

RESPONDENT: BUTLER PETROLEUM LLC – ROOSEVELT COUNTY, MONTANA

Upon the Board's own motion to require **Butler Petroleum LLC** to appear and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to 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.

Docket 122-2022
SHOW-CAUSE HEARING

RESPONDENT: GENESIS ST OPERATING LLC – ROOSEVELT COUNTY, MONTANA

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

Docket 123-2022
SHOW-CAUSE HEARING

RESPONDENT: SEYMOUR, JAMES & LORRAINE – TOOLE COUNTY, MONTANA

Upon the Board's own motion to require **Seymour, James & Lorraine** to appear and show cause, if any it has, why it should not immediately plug and abandon its well in Toole County, Montana.

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

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

Upon the Board's own motion to require **Black Gold Energy Resource Development, LLC** to appear and show cause, if any it has, why penalties should not be considered for failure to remedy violations at its Indian Mound 1 well, Section 15, T23N-R55E, Richland County, Montana.

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

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

Upon the Board's own motion to require **Black Gold Energy Richland Facility, Inc.** to appear and show cause, if any it has, why penalties should not be considered for failure to remedy violations at its Velma SWD 1-10 well, Section 10, T23N-R58E, Richland County, Montana.

BOARD OF OIL AND GAS CONSERVATION

Jennifer Breton, Program Specialist