

Plugging and Reclamation Bond Review

1998

- Bond amounts were set during 1998 following a lengthy scoping process which involved discussions with county commissioners, the governor, legislators, operators, and landowners.
- Committee Proposed Bonding changes:
 - Single well bond:

▪ 0-2000 feet	\$1,500
▪ 2001-3500'	\$5,000
▪ 3,501' and deeper	\$10,000
 - New multiple well or "blanket" bond:
 - \$50,000 for an unlimited number of wells
 - Required existing \$10,000 multiple wells bonds be increased to \$25,000 which would increase to \$50,000 with change of operator.
 - Amended well reporting and well plugging requirement rules.

2007

- Held bonding discussion at the February 2007 business meeting.
- Interstate Oil and Gas Compact Commission was planning to lobby Congress for federal funds to plug orphaned wells.
- Current bonding amounts were determined to be adequate, and the Board could take other action, such as shutting in producing wells, to get inactive wells plugged.

2015

- 2015 Legislature passed HB226, in which the Board receives \$650,000 yearly into the Damage Mitigation account from the interest income of the RIT fund. There is a \$1 million cap on the Damage Mitigation account.
- Prior to the change in statute the Board had priority for grants through the Resource Development Grant program, which required participation in a lengthy application process even though funding wasn't assured.
- Held bonding discussion at December business meeting and no recommendations were made.

2019

- Started reviewing and sending letters to operators with bonds that have no active wells.
- Continue to review and send letters to operators with inactive wells in response to landowner and/or mineral owner complaint.
- Adopted policy for Board review of change of operators (which was amended in 2020) for new operators that would result in 10 or more wells to be covered by a single, multiple well bond,

and for existing operators if the approval of a change of operator request would result in 5 or more inactive wells on a multiple well bond. Also included is a referral of a change of operator for any commercial disposal well.

Today

- Current rules provide:
 - authority to act on any wells that have been inactive for over 1 year, with recognition that there may be valid future uses for a wellbore;
 - authority to limit the number of wells on a multiple well bond, or double the required bond amounts;
 - authority for board review of proposed plugging and reclamation bonds; staff referral of any administrative approvals, which would include change of operator requests.
- Since the start of 2019, 42 change of operator requests have been referred to the Board for review; 21 for new operator and 21 for existing operators. 13 of those reviews have resulted in increased bonding to the amount of \$935,000 more than standard bonding requirements.
- Phase 1 of inactive wells presented in December 2018 consisted of 146 inactive wells. This process has resulted in 88 wells being plugged, transferred, or re-activated, and 13 wells orphaned through bond forfeiture.
- Montana has received \$25 million through a federal grant from the Bipartisan Infrastructure Law to plug all currently known orphaned wells.

Going Forward

- Inflation alone could be justification for increasing in the base bond amounts through rulemaking.
- There are still a significant number of inactive wells on single- and multiple-well bonds, and bonds that cover no active wells and are continually being reviewed by Board staff.
- Inactive wells in northcentral Montana include many inactive “pre-regulatory” wells, and changes in bonding requirements can have immediate impact on producing wells included on the same multiple well bonds; the importance of those wells to the local economy is well known, broadens the stakeholder base, and adds complexity to the development of a state-wide solution.
- Flexibility to allow for continued well operation of wells and maximum resource recovery as required under statute is necessary.

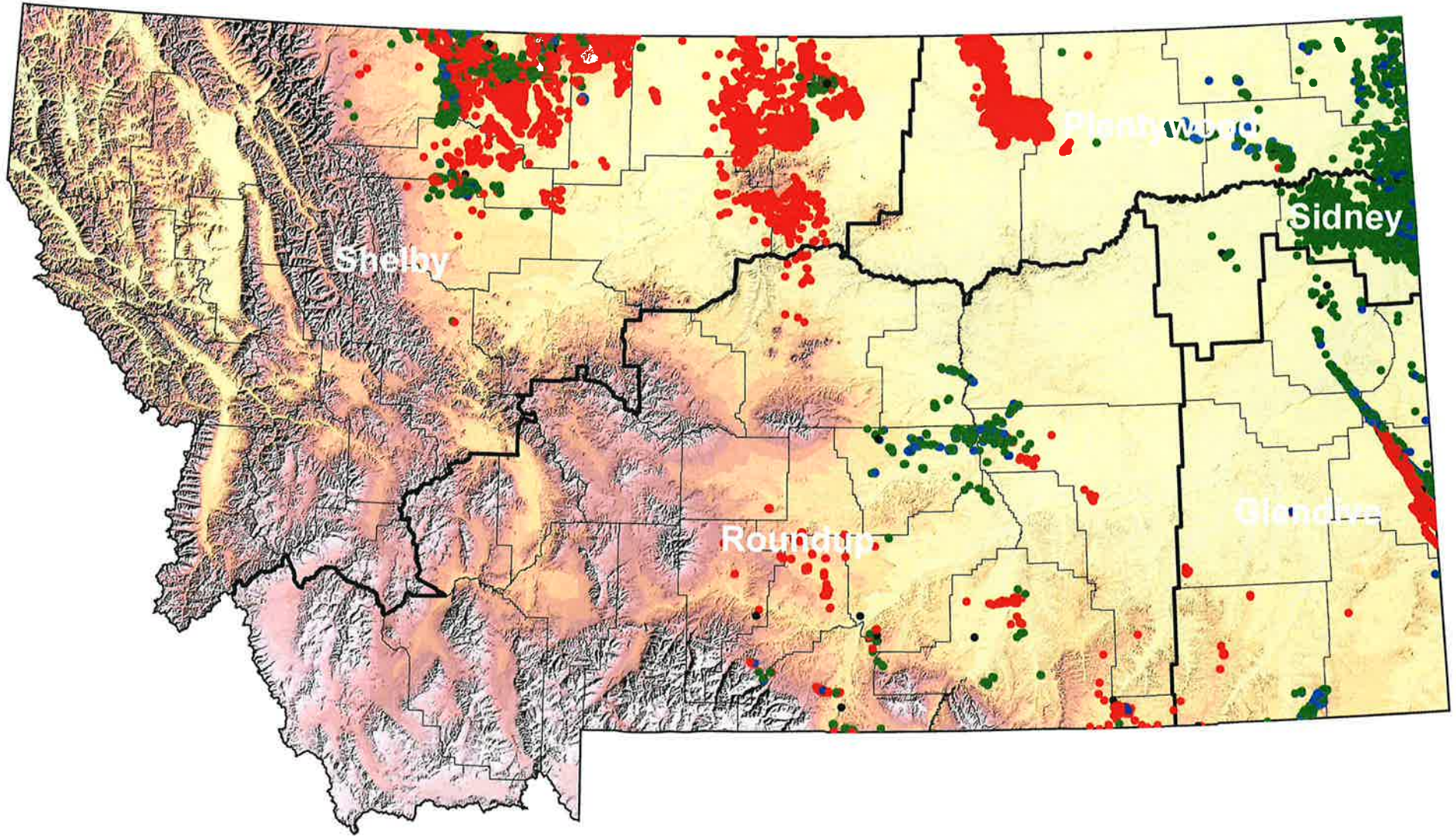
Transfer of Plugging and Reclamation Responsibility Through Change of Operator Request Policy approved on 2/14/2019

Change of Operators	Year	Transfers requiring Board Referral			Withdrawn	Continued	Dockets with Increased bonding	Increased Bonding Amount
		New Operator	Current Operator					
	2022	8	2	6	0	1	3 \$ 265,000	
	2021	16	8	8	0	0	9 \$ 620,000	
	2020	8	5	3	0	1	1 \$ 50,000	
	2019	10	6	4	1	1	0 \$ -	
	Total	42	21	21	1	3	13 \$ 935,000	

Inactive Wells, Phase 1 - From 12/2018

CoName	Total_Wells	Last_Inj-Prod	
A & G Oil & Gas	4		Operator plugged
Miami Oil Producers, Inc.	3		Operator plugged
Daube Company, The	2		Operator plugged/transferred
Grynberg, Jack J.	2		Operator plugged
Compass Energy, Inc.	1		Bond forfeited
Elenburg Exploration, Inc.	1		Operator plugged
EnCana Oil & Gas (USA) Inc.	1		Operator plugged
Molen Drilling Co., Inc.	1		Bond forfeited
TDW Gas Processing, LLC	1	10/31/1988	Bond forfeited
UnionTown Energy Montana LLC	1		Bond forfeited
Zeiders Bros. Oil & Gas Company, L.L.C.	1		Operator plugged
Iofina Natural Gas, Inc.	34	10/31/2010	Operator plugged
Fulton Fuel Company	19	7/31/1995	
Greylock Conventional, LLC	14	1/31/2016	All wells transferred
Stewart, Lynn	14	7/31/1991	Most wells transferred to Well Done.
Pride Energy Company	5	10/31/2014	Operator plugged
Beartooth Energy, LLC	4	9/30/2014	
Hawley-Northrup	4	4/30/2013	Pre-regulatory
Forward Energy, LLC	3	5/31/2011	Bond forfeited
Powder River Gas, LLC	3		Bond forfeited
Brandon Oil Company	2	11/30/2015	
Grassy Butte LLC	2	4/30/2014	
Janssen Gas	2		Bond forfeited
Armstrong, Ken D.	1		Abd. 1959 - Check with Shelby
Butler Petroleum LLC	1		Bond forfeited?
Cremer Energy Inc.	1		Continue to monitor
Cypress Energy Partners - Sheridan SWD, LLC	1	7/31/2013	
Fairways Exploration & Production, LLC	1	3/31/2014	
Fort Worth Operating Company, LLC	1		Transferred well
Foster, Charles P. And Smith, Loren E.	1	5/31/2007	Well is producing
Fulco	1		Operator plugged
Greylock Production, LLC	1	2/29/2016	Transferred well
Harvest Time Oil, Inc.	1		
Heavy Water Haulers Inc.	1	7/31/2004	Plans to P&A, monitoring
Herco Exploration LLC	1	9/30/2008	Waiting on service company to P&A
L & H Resources LLP	1		Surface reclaimed
Larslan Water Disposal	1	4/30/2009	ILW
Lustre Salt Water Disp, Vernon R. Justice Db	1	5/31/2006	ILW
North Range Exploration, LLC	1		
Pinnacle Ranch, Inc.	1	9/30/2012	Landowner bonded well for conversion to water well.
Powers Energy Inc.	1		Bond Forfeited
Rimrock Oil Company	1	1/31/2003	
Seymour, James & Lorraine	1	9/30/2012	May forfeit bond
Williston Industrial Supply Corporation	1	7/31/2009	Surface reclaimed
Young Sanders E&P, LLC	1		Operator plugged
Total Wells	146		
Operator plugged/transferred/activated	88		
Bond Forfeited	13		
Remaining	45		

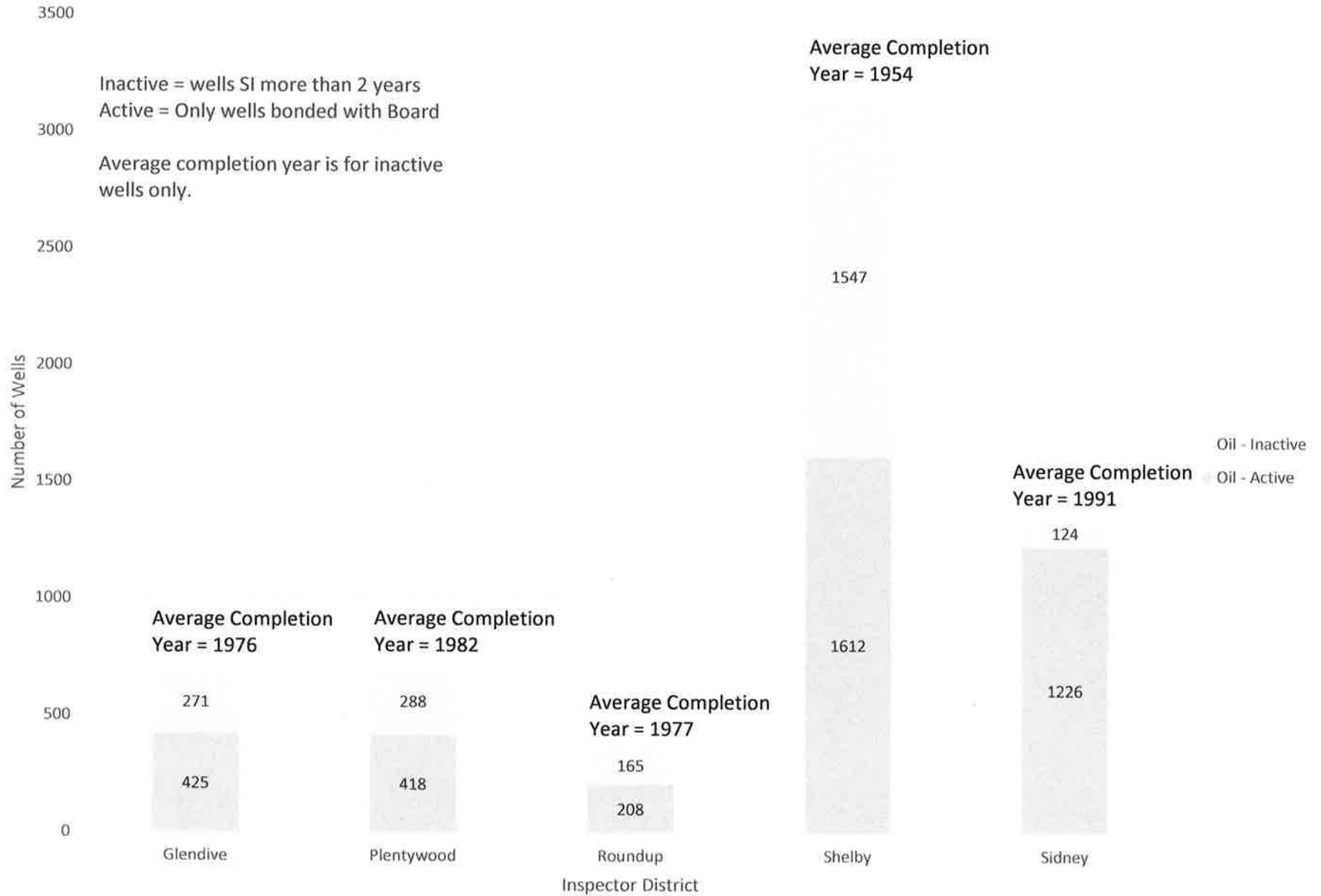
2022 Active Wells



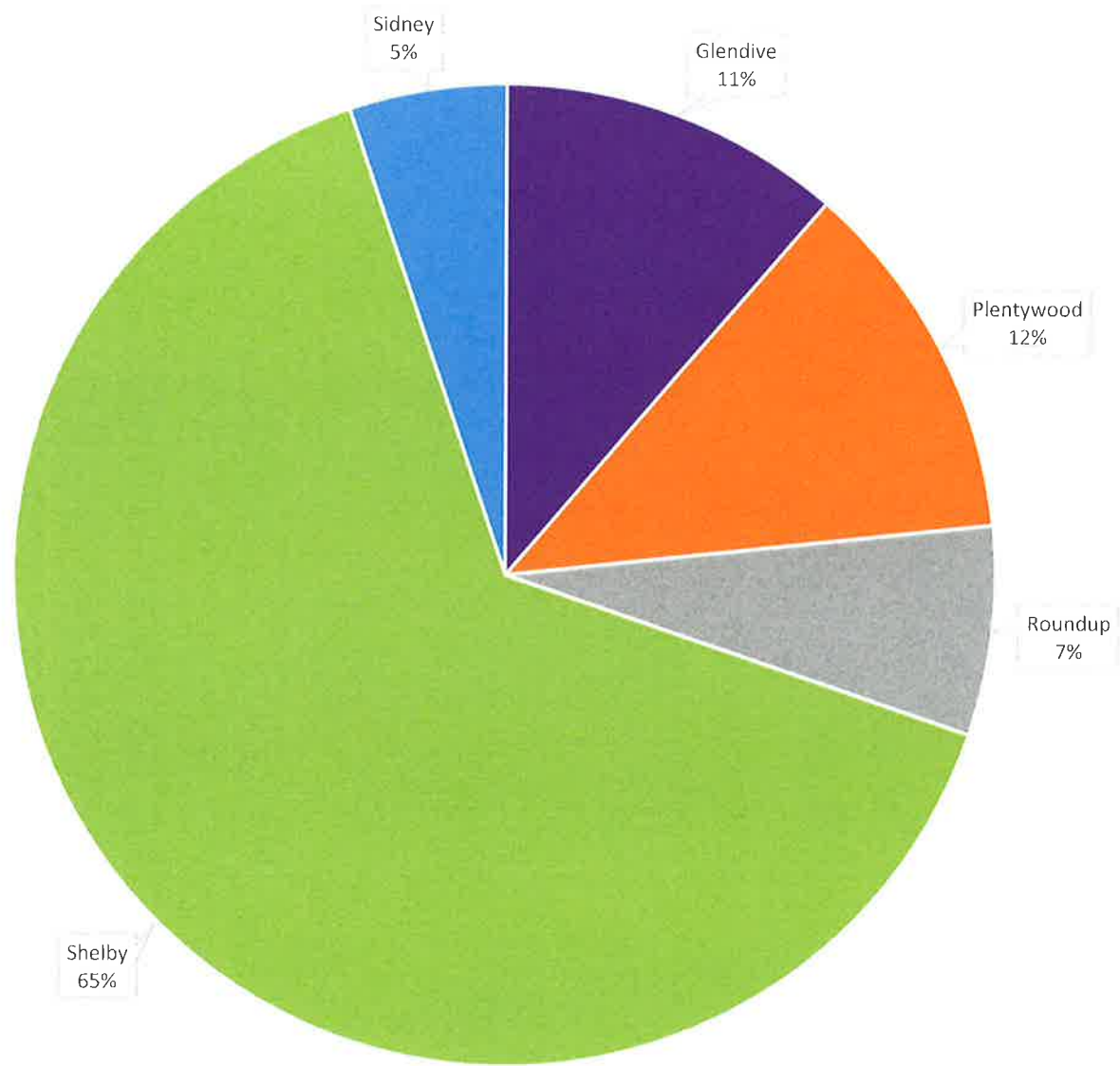
Legend

 Inspection Districts

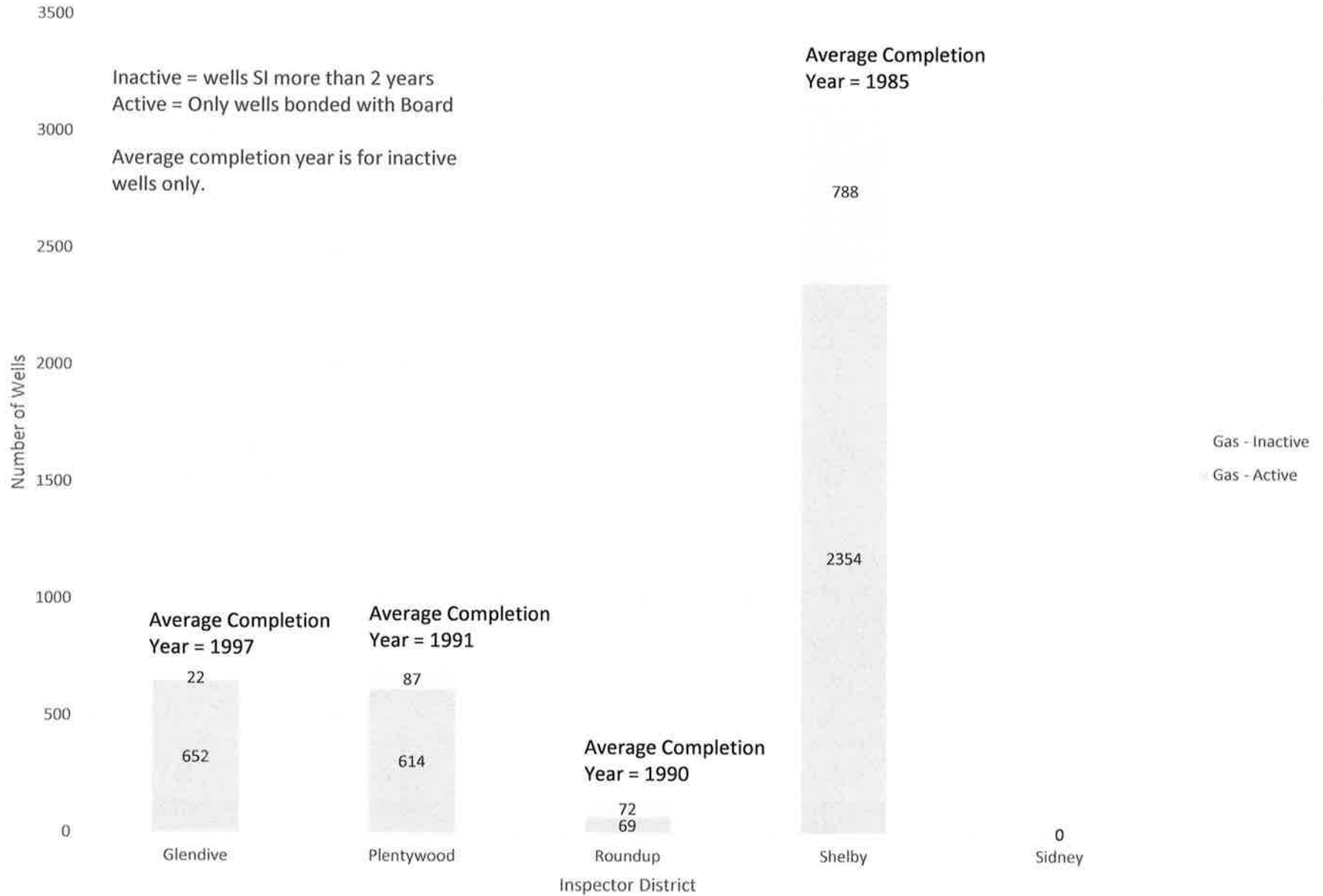
2022 Active and Inactive Oil Wells



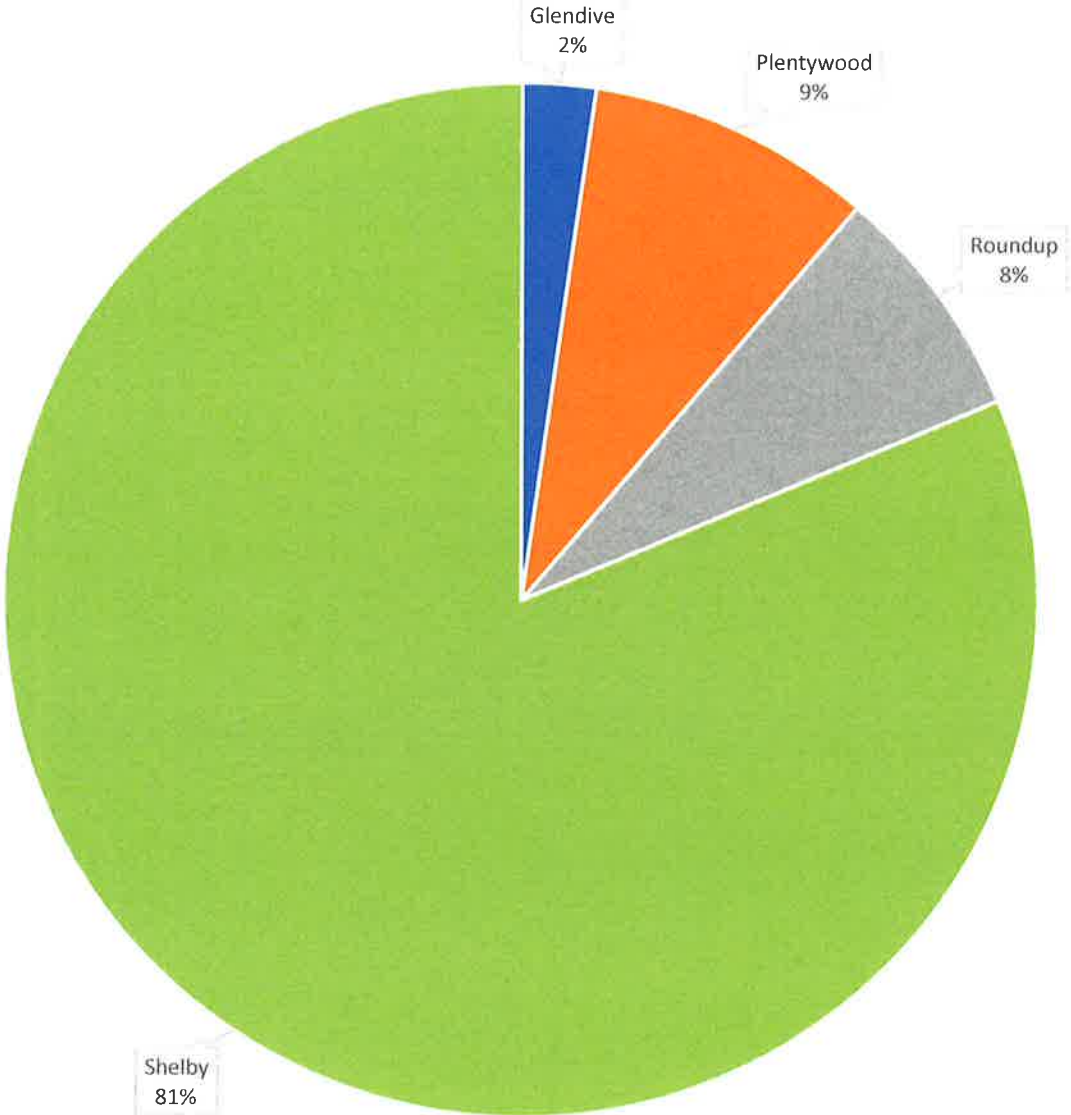
2022 Shut in Oil Wells by Area



2022 Active and Inactive Gas Wells



2022 Shut in Gas Wells by Area



STATE OF MONTANA

PROPOSED MEETING SCHEDULE

2023

January						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

May						
S	M	T	W	TH	F	S
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

August						
S	M	T	W	TH	F	S
1	2	3	4	5		
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

 Filing Deadline
  Meeting / Hearing
  Scheduling Conflict
  Holiday

**MONTANA BOARD OF OIL AND GAS CONSERVATION
FINANCIAL STATEMENT
As of 10/5/22**

Fiscal Year 2023: Percent of Year Elapsed - 27%

		Budget	Expends	%	Remaining
Regulatory	Personal Services	1,254,273	302,051	24	952,222
UIC	Personal Services	274,198	80,474	29	193,724
	Total	1,528,471	382,525	25	1,145,946
Regulatory	Equipment & Assets	46,371	-	-	46,371
UIC	Equipment & Assets	10,179	-	-	10,179
	Total	56,550	-	-	56,550
Regulatory	Operating Expenses:				
	Contracted Services	165,870	23,655	14	142,215
	Supplies & Materials	49,938	13,265	27	36,673
	Communication	58,303	9,567	16	48,736
	Travel	34,276	1,475	4	32,801
	Rent	8,185	253	3	7,932
	Utilities	19,762	2,833	14	16,929
	Repair/Maintenance	33,292	4,775	14	28,517
	Debt Services	15,163	7,139	47	8,024
	Other Expenses	23,979	7,931	33	16,048
	Total Operating Expenses	408,768	70,894	17	337,874
UIC	Operating Expenses:				
	Contracted Services	27,432	3,873	14	23,559
	Supplies & Materials	10,962	1,623	15	9,339
	Communication	12,798	1,500	12	11,298
	Travel	7,524	324	4	7,200
	Rent	1,797	55	3	1,742
	Utilities	4,338	273	6	4,065
	Repair/Maintenance	7,308	349	5	6,959
	Debt Services	3,329	1,567	47	1,762
	Other Expenses	5,264	1,741	33	3,523
	Total Operating Expenses	80,752	11,305	14	69,447
	Total	489,520	82,199	17	407,321

	Budget	Expends	%	Remaining
Carryforward FY21				
Personal Services	55,270	-	0	55,270
Operating Expenses	55,270	-	0	55,270
Equipment & Assests	55,271	-	0	55,271
Total	165,811	-	0	165,811

Funding Breakout	2022 Total Budget	2022 Total Expends	%
State Special	2,074,541	464,724	22
Federal 2022 UIC (10-1-2021 to 9-30-2022)	128,000	128,000	100
Federal 2023 UIC (10-1-2022 to 9-30-2023)	106,749	-	0
Total	2,309,290	592,724	26

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT

	FY 23	FY 22
Oil & Gas Production Tax	\$ -	\$ 2,842,201
Oil Production Tax	-	2,547,845
Gas Production Tax	-	294,357
Drilling Permit Fees	4,525	14,250
UIC Permit Fees	-	237,800
Interest on Investments	9,090	11,240
Copies of Documents	49	965
Miscellaneous Reimbursements	-	16,375
TOTAL	\$ 13,664	\$ 3,122,831
Account Balance	\$ 5,290,864	

REVENUE INTO DAMAGE MITIGATION ACCOUNT

	FY 23	FY 22
RIT Investment Earnings:	-	\$ 318,467
July	-	-
August	-	27,126
September	-	20,838
October	-	23,519
November	-	27,779
December	-	20,564
January	-	24,103
February	-	28,189
March	-	20,008
April	-	26,853
May	-	28,372
June	-	71,115
Bond Forfeitures:	10,000	150,251
Interest on Investments	1,834	714
TOTAL	\$ 11,834	\$ 469,431
Account Balance	\$ 487,557	

REVENUE INTO GENERAL FUND FROM FINES

		FY 23
GAS MANAGEMENT SERVICES LLC	7/12/2022	130
DANIEL WINE	7/14/2022	70
YELLOWSTONE PETROLEUMS INC	7/19/2022	75
BRAINSTORM ENERGY INC	7/21/2022	210
HAWLEY MERRILL	7/21/2022	60
RIM ROCK COLONY INC	7/21/2022	130
MISC OIL CO	7/21/2022	70
R AND A OIL INC	8/3/2022	120
R AND A OIL INC	8/3/2022	120
SONKAR INC	8/3/2022	60
BLACK GOLD ENERGY RICHLAND FACILITY INC	8/19/2022	120
BLACK GOLD ENERGY	8/19/2022	120
MANECKE ANDRIA	8/31/2022	200
BLACK GOLD ENERGY RICHLAND FACILITY INC	8/31/2022	2,000
HAWLEY OIL LLP	9/16/2022	250
HOFFLAND JAMES D	9/16/2022	70
TOTAL		\$ 3,805

DAMAGE MITIGATION CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
P&R TOI MT AG Station 28-41 PA Well	\$ 61,000	\$ 13,891	\$ 47,109	Under Contract	12/31/2022
TOTAL	\$ 61,000	\$ 13,891	\$ 47,109		

CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Agency Legal Services 2023	\$ 70,000	\$ 10,386	\$ 59,614	Under Contract	6/30/2023
Billings Janitorial	19,415	9,817	9,598	Under Contract	9/30/2023
Billings Lawn and Snow Removal	24,000	12,239	11,761	Under Contract	9/30/2023
TOTAL	\$ 113,415	\$ 32,443	\$ 80,972		

**Agency Legal Services
Expenditure Breakout**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 4,998
Pheonix Capital	5,388
Total	\$ 10,386

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

EXHIBIT 4

8/17/2022 Through 10/11/2022

Approved

EMEP Operating, LLC Houston TX	902 M2	Approved Amount: Purpose:	9/13/2022 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00 U.S. Specialty Insurance Co.		ACT
Forza Operating, LLC Spring TX	901 G4	Approved Amount: Purpose:	9/2/2022 \$10,000.00 Single Well Bond
Surety Bond	\$10,000.00 RLI INSURANCE COMPANY		ACT
Global Helium (USA) Corp. North Las Vegas NV	917 G1	Approved Amount: Purpose:	10/3/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Bank of Plentywood		ACT
Hydra MT LLC Houston TX	824 T10	Approved Amount: Purpose:	9/13/2022 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
Hydra MT LLC Houston TX	824 T9	Approved Amount: Purpose:	9/13/2022 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
Neptune Operating LLC Houston TX	916 M1	Approved Amount: Purpose:	9/28/2022 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00 U.S. Specialty Insurance Co.		ACT
Ridge Energy, LLC McKinney TX	913 G1	Approved Amount: Purpose:	9/16/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT
Ridge Energy, LLC McKinney TX	913 G2	Approved Amount: Purpose:	9/16/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT
Ridge Energy, LLC McKinney TX	913 G4	Approved Amount: Purpose:	9/16/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT
Ridge Energy, LLC McKinney TX	913 G3	Approved Amount: Purpose:	9/16/2022 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank of Montana		ACT

Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/17/2022 Through 10/11/2022

Approved

Synergy Offshore LLC Houston TX	662 G2		Approved Amount: \$5,000.00 Purpose: Single Well Bond	8/24/2022
Certificate of Deposit	\$5,000.00	FIRST STATE BANK OF SHELBY		ACT

Synergy Offshore LLC Houston TX	662 G1		Approved Amount: \$10,000.00 Purpose: Single Well Bond	8/24/2022
Certificate of Deposit	\$10,000.00	FIRST STATE BANK OF SHELBY		ACT

Canceled

Abraxas Petroleum Corporation San Antonio TX	564 T2		Canceled Amount: \$10,000.00 Purpose: UIC Single Well Bond	9/14/2022
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Energy Equity Company Columbus MT	59 G2		Canceled Amount: \$10,000.00 Purpose: Single Well Bond	8/25/2022
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Ritter, Laber & Associates, Inc. Williston ND	6523 B1		Canceled Amount: \$10,000.00 Purpose: Suspended Bond	9/20/2022
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Other

Avanti Helium US, Inc. Calgary AB	899 M1		Other Amount: \$50,000.00 Purpose: Multiple Well Bond	9/12/2022
Certificate of Deposit	\$50,000.00	FIRST STATE BANK OF SHELBY		ACT

Released

Synergy Offshore LLC Houston TX	662 M3		Released Amount: \$125,000.00 Purpose: Multiple Well Bond	8/24/2022
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Incident Report

EXHIBIT 5

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Samson Oil and Gas USA, Inc.	BOG	8/22/2022	Fire			Other	No	48.24520	-104.12197	Roosevelt	29N-58E-24 SESW
EMEP Operating, LLC	BOG	8/25/2022	Spill or Release	80 Barrels	920 Barrels	Well Head	Yes	47.88368	-104.70141	Richland	25N-54E-26 SESE
Wesco Operating, Inc.	BOG	9/22/2022	Spill or Release		340 Barrels	Pump Failure	Yes			Fallon	10N-58E-9 SENW

Docket Summary

101-2022	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 26N-53E-13: all, 24: all, 25: all (Devin FIU 3-13H and Devin FIU 4-13H).	TSU, Order 82-2019 Related applications: 101-2022, 102-2022	<input type="checkbox"/>
102-2022	Continental Resources Inc	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 26N-53E-13: all, 24: all, 25: all (Devin FIU 3-13H and Devin FIU 4-13H). Non-consent penalties requested.	Related applications: 101-2022, 102-2022	<input type="checkbox"/>
103-2022	Continental Resources Inc	Permanent spacing unit, Bakken/Three Forks Formation, 27N-53E-36: all and 26N-53E-1: all, 12: all (Tolksdorf 2-12H and Tolksdorf 3-12H).	TSU, Order 83-2019 Related applications: 103-2022, 104-2022	<input type="checkbox"/>
104-2022	Continental Resources Inc	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 27N-53E-36: all and 26N-53E-1: all, 12: all (Tolksdorf 2-12H and Tolksdorf 3-12H). Non-consent penalties requested.	Related applications: 103-2022, 104-2022	<input type="checkbox"/>
105-2022	Kraken Oil & Gas LLC	Temporary spacing unit, Bakken/Three Forks Formation, 26N-57E-22: all, 27: all, 34: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Operations must commence within one year of date of order. Vacate Orders 302-2010 (Temporary spacing unit, Bakken Formation, 26N-57E-15: all, 22: all) and 120-2011 (Temporary spacing unit, Bakken Formation, 26N-57E-27: all, 34: all).	Related applications: 105-2022, 106-2022 Could potentially orphan section 15, should be addressed at hearing	<input type="checkbox"/>
106-2022	Kraken Oil & Gas LLC	Authorize the drilling of up to three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 26N-57E-22: all, 27: all, 34: all, 200' heel/toe setbacks and 500' lateral setbacks. Default docket requested.	Related applications: 105-2022, 106-2022	<input type="checkbox"/>
107-2022	Kraken Oil & Gas LLC	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-59E-6: all, 7: all, 18: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order. Amend Board Order 145-2013 to clarify that said order is limited to the Crush Ranch 6-7 #1H well. Amend Order 378-2013 (Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 28N-59E-6: all, 7: all) to the extent it authorizes more than a single additional well to be drilled in the permanent spacing unit created pursuant to Order 144-2013. Amend Board Order 58-2013 to clarify that said order is limited to the Willard 19-18 #1H. Vacate Order 379-2013 (Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 28N-59E-18: all, 19: all).	Related applications: 107-2022, 108-2022	<input type="checkbox"/>
108-2022	Kraken Oil & Gas LLC	Authorize the drilling of an additional horizontal well, overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-59E-6: all, 7: all, 18: all, 200' heel/toe setbacks and 500' lateral setbacks. Default docket requested.	Related applications: 107-2022, 108-2022	<input type="checkbox"/>

109-2022	Kraken Oil & Gas LLC	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-59E-19: all, 30: all, 31: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order. Amend Board Order 58-2013 to clarify that said order is limited to the Willard 19-18 #1H well. Vacate Order 379-2013 (Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 28N-59E-18: all, 19: all). Amend Board Order 59-2013 to clarify that said order is limited to the Wilde 30-31 #1H well. Vacate Order 380-2013 (Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 28N-59E-30: all, 31: all).	<i>Related applications: 109-2022, 110-2022</i>	<input type="checkbox"/>
110-2022	Kraken Oil & Gas LLC	Authorize the drilling of an additional horizontal well, overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-59E-19: all, 30: all, 31: all, 200' heel/toe setbacks and 500' lateral setbacks. Default docket requested.	<i>Related applications: 109-2022, 110-2022</i>	<input type="checkbox"/>
111-2022	Kraken Oil & Gas LLC	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-58E-12: all, 13: all, 24: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order. Amend Board Order 149-2013 to clarify that said order is limited to the Shirley 13-24 #1H well. Vacate Order 381-2013 (Authorization to drill up to four additional Bakken/Three Forks wells, permanent spacing unit, 26N-58E-13: all, 24: all).	<i>Related applications: 111-2022, 112-2022</i>	<input type="checkbox"/>
112-2022	Kraken Oil & Gas LLC	Authorize the drilling of an additional horizontal well, overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-58E-12: all, 13: all, 24: all, 200' heel/toe setbacks and 500' lateral setbacks. Default docket requested.	<i>Related applications: 111-2022, 112-2022</i>	<input type="checkbox"/>
113-2022	Kraken Oil & Gas LLC	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-58E-24: all, 25: all, 36 and 26N-59E-19: all, 30: all, 31, well at a location proximate to the common boundary between the overlapping temporary spacing unit 26N-58E-24, 25, 36 and overlapping temporary spacing unit 26N-59E-19, 30, 31. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well.		<input type="checkbox"/>
114-2022	Kraken Oil & Gas LLC	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 26N-58E-1: all, 12: all, 13 and 26N-59E-6: all, 7: all, 18, well at a location proximate to the common boundary between the overlapping temporary spacing unit 26N-58E-1, 12, 13, and overlapping temporary spacing unit 26N-59E-6, 7, 18. Apply for permanent spacing within 90 days of completion. Operations must commence within one year of date of order. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well.		<input type="checkbox"/>
115-2022	Forza Operating, LLC	Permanent spacing unit, Nisku Formation, 35N-1E-34: W2W2 (Turner 34-1H).	<i>Statewide temporary spacing unit</i>	<input type="checkbox"/>

116-2022	Avanti Energy Montana, Inc.	Exception to statewide drilling and temporary spacing rules, Madison Formation test well, 36N-6E-13: 706' FSL, 1,375' FWL. Apply for permanent spacing within 90 days of successful completion. Default docket requested.		<input type="checkbox"/>
117-2022	Lustre Oil Company LLC	Exception to Lustre Field rules, Madison Formation well, 31N-44E-17: SESW, SWSE, 330 setbacks.		<input type="checkbox"/>
118-2022	Hydra MT LLC	Approval to drill, Class II SWD Injection well (Leonardo 18-1H SWD), Dakota Formation, 25N-59E-18: NW NE.	Continued	<input type="checkbox"/>
				<i>Richland County ad was not published 30 days prior to hearing date, continued to December.</i>
119-2022	Ridge Energy, LLC	Change of operator of 9 wells to Northern Oil Production, Inc. to Ridge Energy, LLC.	Withdrawn	<input type="checkbox"/>
				<i>Put up four individual bonds for shut in wells to reduce number to below five.</i>
85-2022	Bluebird Energy, LLC	Permanent spacing unit, Heath Formation, 10N-34E-11: W1/2, 14: W1/2 (Flying Monkey #1H).		<input type="checkbox"/>
86-2022	Bluebird Energy, LLC	Permanent spacing unit, Heath Formation, 11N-34E-9: W1/2, 16: W1/2 (Golden Monkey #1H).		<input type="checkbox"/>
94-2022	Montalban Oil & Gas Operations, Inc.	Change of operator of 51 wells from Croft Petroleum Co to Montalban Oil & Gas Operations, Inc.		<input type="checkbox"/>
120-2022	Apex Energy LLC	Show Cause: why penalties should not be considered for failure to remedy the field violations.		<input type="checkbox"/>
121-2022	Butler Petroleum LLC	Show Cause: 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.		<input type="checkbox"/>
122-2022	Genesis ST Operating LLC	Show Cause: why penalties should not be considered for failure to remedy the field violations.		<input type="checkbox"/>
123-2022	Seymour, James & Lorraine	Show Cause: why it should not immediately plug and abandon its well in Toole County, Montana.		<input type="checkbox"/>
108-2021	Black Gold Energy Resource Development, LLC	Show Cause: why penalties should not be considered for failure to remedy violations at its Indian Mound 1 well, Section 15, T23N-R55E, Richland County, Montana.		<input type="checkbox"/>
109-2021	Black Gold Energy Richland Facility, Inc.	Show Cause: 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.		<input type="checkbox"/>

ALL APPLICATIONS, 10/13/2022

Docket	Applicant	Status	Request
101-2022	Continental Resources Inc		Spacing
102-2022	Continental Resources Inc		Pooling
103-2022	Continental Resources Inc		Spacing
104-2022	Continental Resources Inc		Pooling
105-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
106-2022	Kraken Oil & Gas LLC		Well Density
107-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
108-2022	Kraken Oil & Gas LLC		Well Density
109-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
110-2022	Kraken Oil & Gas LLC		Well Density
111-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
112-2022	Kraken Oil & Gas LLC		Well Density
113-2022	Kraken Oil & Gas LLC		Temp. Spacing
114-2022	Kraken Oil & Gas LLC		Temp. Spacing
115-2022	Forza Operating, LLC		Spacing
116-2022	Avanti Energy Montana, Inc.		Except - Drlg
117-2022	Lustre Oil Company LLC		Except - Spacing; Temp. Spacing
118-2022	Hydra MT LLC	Continued	Class II Permit
119-2022	Ridge Energy, LLC	Withdrawn	Change of Operator
85-2022	Bluebird Energy, LLC		Spacing
86-2022	Bluebird Energy, LLC		Spacing
94-2022	Montalban Oil & Gas Operations, Inc.		Change of Operator
120-2022	Apex Energy LLC		Show-Cause
121-2022	Butler Petroleum LLC		Show-Cause
122-2022	Genesis ST Operating LLC		Show-Cause
123-2022	Seymour, James & Lorraine		Show-Cause
108-2021	Black Gold Energy Resource Development, LLC		Show-Cause
109-2021	Black Gold Energy Richland Facility, Inc.		Show-Cause

APPLICATIONS TO HEAR, 10/13/2022

(In Order of Hearing)

Docket	Applicant	Status	Request
101-2022	Continental Resources Inc		Spacing
102-2022	Continental Resources Inc		Pooling
103-2022	Continental Resources Inc		Spacing
104-2022	Continental Resources Inc		Pooling
105-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
106-2022	Kraken Oil & Gas LLC		Well Density
107-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
108-2022	Kraken Oil & Gas LLC		Well Density
109-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
110-2022	Kraken Oil & Gas LLC		Well Density
111-2022	Kraken Oil & Gas LLC		Temp. Spacing; Vacate Order
112-2022	Kraken Oil & Gas LLC		Well Density
113-2022	Kraken Oil & Gas LLC		Temp. Spacing
114-2022	Kraken Oil & Gas LLC		Temp. Spacing
115-2022	Forza Operating, LLC		Spacing
116-2022	Avanti Energy Montana, Inc.		Except - Drlg
117-2022	Lustre Oil Company LLC		Except - Spacing; Temp. Spacing
85-2022	Bluebird Energy, LLC		Spacing
86-2022	Bluebird Energy, LLC		Spacing
94-2022	Montalban Oil & Gas Operations, Inc.		Change of Operator
120-2022	Apex Energy LLC		Show-Cause
121-2022	Butler Petroleum LLC		Show-Cause
122-2022	Genesis ST Operating LLC		Show-Cause
123-2022	Seymour, James & Lorraine		Show-Cause
108-2021	Black Gold Energy Resource Development, LLC		Show-Cause
109-2021	Black Gold Energy Richland Facility, Inc.		Show-Cause

GAS FLARING

October 12, 2022

Flaring Requests

Summary

There are 12 wells flaring over 100 MCFG per day based on current production numbers.

There are six exceptions requested at this time.

Kraken Operating

Altuve 26-23 #1H – API #25-083-23400, 26N-59E-35

1. Flaring 197 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 540 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.

Altuve 26-23 #2H – API #25-083-23401, 26N-59E-35

1. Flaring 187 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 514 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.

Altuve 26-23 #3H – API #25-083-23405, 26N-59E-35

1. Flaring 207 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 571 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.

Altuve 26-23 #4H – API #25-083-23403, 26N-59E-35

1. Flaring 185 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 506 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.

Altuve 25-24 #5H – API #25-083-23404, 26N-59E-35

1. Flaring 183 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 502 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.

Altuve 25-24 #6H – API #25-083-23406, 26N-59E-35

1. Flaring 192 MCF/D.
2. Completed: 6/2022.
3. Estimated gas reserves: 135 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 527 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Generator capacity constraints at Leviathan CDP limit amount that can be used/sold. Additional generators were planned to be added in September 2022.