

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

UPON THE APPLICATION OF HUNTINGTON ENERGY, LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE E½ OF SECTION 25, T34N-R56E, SHERIDAN COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE TOP OF THE GUNTON FORMATION TO BASE OF RED RIVER FORMATION WITH RESPECT TO THE L. JOHANSEN 1 WELL.

ORDER 1-2023

APPLICANT REQUESTS TO AUTHORIZE THE DOWNHOLE COMMINGLING OF PRODUCTION FROM THE GUNTON AND RED RIVER FORMATIONS.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDER 44-1985 THAT DELINEATED THE WRANGLER FIELD IN SECTION 25, T34N-R56E AND ESTABLISHED FIELD RULES FOR SPACING FOR THE RED RIVER FORMATION.

Docket No. 1-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Parker Scott, landman, and Robert Herritt, petroleum engineer, appeared on behalf of Huntington Energy, LLC (Huntington).
3. Board Order 44-1985 established the Wrangler Field. Two permanent spacing units were designated in Section 25, T34N-R56E; the E½ was designated for the L. Johansen 1 well and the W½ was designated for the Vera Jensen 25-1 well. The Vera Jensen 25-1 well was plugged and abandoned in 2014. Huntington requests that Order 44-1985 be vacated to establish a permanent spacing under statewide spacing rules.
4. No protest to the application of Huntington was made.
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. 1-2023

Order

IT IS THEREFORE ORDERED by the Board that the E½ of Section 25, T34N-R56E, Sheridan County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the top of the Gunton Formation to the base of the Red River Formation.

IT IS FURTHER ORDERED that the L. Johansen 1 well is the authorized well for said permanent spacing unit.

IT IS FURTHER ORDERED that commingling of the production of oil and associated natural gas from the Gunton Formation and Red River Formation in the wellbore of the L. Johansen 1 well is hereby authorized.

IT IS FURTHER ORDERED that Board Order 44-1985 is hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF HUNTINGTON ENERGY, LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE E½ OF SECTION 25, T34N-R56E, SHERIDAN COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE GUNTON AND RED RIVER FORMATIONS AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE L. JOHANSEN 1 WELL.

ORDER 2-2023

Docket No. 2-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Parker Scott, landman, and Robert Herritt, petroleum engineer, appeared on behalf of Huntington Energy, LLC (Huntington).
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 1-2023.
4. There were multiple working interest parties that were unable to be located; however, the request to authorize recovery of non-consent penalties was withdrawn at the time of hearing.
5. No protest to the application of Huntington was made.
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. 2-2023

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of the E½ of Section 25, T34N-R56E, Sheridan County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Gunton and Red River Formations.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 AMEND BOARD ORDERS 18-2020 AND 2-2022 TO PROVIDE THAT OPERATIONS FOR THE DRILLING OF A WELL IN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 22, 27, AND 34, T26N-R59E MUST BE COMMENCED PRIOR TO FEBRUARY 17, 2024. ALL OTHER PROVISIONS IN SAID ORDER REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.

ORDER 3-2023

Docket No. 3-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. No protest to the application of Kraken was made.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

Order

IT IS THEREFORE ORDERED by the Board that Board Orders 18-2020 and 2-2022 are hereby amended to provide that drilling operations must commence not later than February 17, 2024.

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. 3-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 4, 9, AND 16, T24N-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 4-2023

APPLICANT REQUESTS THAT BOARD ORDER 208-2008 PERTAINING TO SECTIONS 4 AND 9, T24N-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 DELORES 1-4H AND THAT ORDER 209-2008 THAT AUTHORIZED AN ADDITIONAL WELL IN THAT SPACING UNIT BE VACATED.

Docket No. 4-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 4 and 9, T24N-R59E, were designated a permanent spacing unit by Order 208-2008.
4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Delores 1-4H well.
5. No protest to the application of Kraken was made.

BOARD ORDER NO. 4-2023

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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 4, 9, and 16, T24N-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 208-2008 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Delores 1-4H well.

IT IS FURTHER ORDERED that Board Order 209-2008 is hereby vacated.

BOARD ORDER NO. 4-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 TWO ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4, 9, AND 16, T24N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELLS.

ORDER 5-2023

Docket No. 5-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, 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 4-2023.
4. Evidence presented at the time of the hearing supports the drilling of two additional horizontal Bakken/Three Forks interval wells in Sections 4, 9, and 16, T24N-R59E, Richland County, Montana.
5. No protest to the application of Kraken was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 5-2023

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to two additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 4, 9, and 16, T24N-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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 5, 8, AND 17, T24N-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 6-2023

APPLICANT REQUESTS THAT BOARD ORDER 66-2010 PERTAINING TO THE E½ OF SECTIONS 5 AND 8, T24N-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 SARA 1-5H AND THAT ORDER 24-2008 PERTAINING TO THE W½ OF SECTIONS 5 AND 8, T24N-R59E BE VACATED.

Docket No. 6-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. The E½ of Sections 5 and 8, T24N-R59E, was designated a permanent spacing unit by Order 66-2010.
4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Sara 1-5H well.
5. No protest to the application of Kraken was made.

BOARD ORDER NO. 6-2023

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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 5, 8, and 17, T24N-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 66-2010 pertaining to the E½ of Sections 5 and 8, T24N-R59E be amended to clarify that said order is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Sara 1-5H well.

IT IS FURTHER ORDERED that Board Order 24-2008 pertaining to the W½ of Sections 5 and 8, T24N-R59E is vacated.

BOARD ORDER NO. 6-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 TWO ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5, 8, AND 17, T24N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELLS.

ORDER 7-2023

Docket No. 7-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, 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 6-2023.
4. Evidence presented at the time of the hearing supports the drilling of two additional horizontal Bakken/Three Forks interval wells in Sections 5, 8, and 17, T24N-R59E, Richland County, Montana.
5. No protest to the application of Kraken was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 7-2023

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to two additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 5, 8, and 17, T24N-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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 4, 5, 8, 9, 16, AND 17, T24N-R59E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL AT A LOCATION PROXIMATE TO THE COMMON BOUNDARY BETWEEN ALL OF SECTIONS 4, 9, AND 16, T24N-R59E AND ALL OF SECTIONS 5, 8, AND 17, T24N-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.

ORDER 8-2023

Docket No. 8-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 4, 9, and 16, T24N-R59E were designated an overlapping temporary spacing unit by Order 4-2023 and Sections 5, 8, and 17, T24N-R59E were designated an overlapping temporary spacing unit by Order 6-2023.
4. No protest to the application of Kraken was made.
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. 8-2023

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 4, 5, 8, 9, 16, and 17, T24N-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 all of Sections 4, 9, and 16, T24N-R59E and all of Sections 5, 8, and 17, T24N-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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

\_\_\_\_\_  
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 SECTION 35, T27N-R57E AND ALL OF SECTIONS 2 AND 11, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES 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 9-2023

APPLICANT REQUESTS THAT BOARD ORDER 36-2017 PERTAINING TO SECTIONS 35 AND 36, T27N-R57E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE FARRAH 35-36 #1H.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDERS 260-2011, 406-2011, AND 213-2013 THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 2 AND 11, T26N-R57E AND ALLOWED ADDITIONAL TIME TO COMMENCE DRILLING.

Docket No. 11-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).

BOARD ORDER NO. 9-2023

3. Sections 35 and 36, T27N-R57E, were designated a permanent spacing unit by Order 35-2017, and Bakken/Three Forks interests within the spacing unit were pooled by Order 36-2017.

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Farrah 35-36 #1H well.

5. No protest to the application of Kraken was made.

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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Section 35, T27N-R57E and all of Sections 2 and 11, T26N-R57E, Richland and Roosevelt Counties, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

IT IS FURTHER ORDERED that the pooling order established by Board Order 36-2017 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Farrah 35-36 #1H well.

IT IS FURTHER ORDERED that Board Orders 260-2011, 406-2011, and 213-2013 are 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. 9-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

\_\_\_\_\_  
Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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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 SECTION 35, T27N-R57E AND ALL OF SECTIONS 2 AND 11, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELLS.

ORDER 10-2023

Docket No. 12-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, 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 9-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Section 35, T27N-R57E and Sections 2 and 11, T26N-R57E, Richland and Roosevelt Counties, Montana.
5. No protest to the application of Kraken was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 10-2023

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 Section 35, T27N-R57E and all of Sections 2 and 11, T26N-R57E, Richland and Roosevelt Counties, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

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 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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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 SECTION 36, T27N-R57E AND ALL OF SECTIONS 1 AND 12, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES 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 11-2023

APPLICANT REQUESTS THAT BOARD ORDER 36-2017 PERTAINING TO SECTIONS 35 AND 36, T27N-R57E BE AMENDED TO CLARIFY THAT SAID ORDER IS LIMITED TO OIL AND ASSOCIATED NATURAL GAS PRODUCED FROM THE BAKKEN/THREE FORKS FORMATION FROM THE FARRAH 35-36 #1H.

APPLICANT FURTHER REQUESTS TO VACATE BOARD ORDER 440-2011 THAT DESIGNATED A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 1 AND 12, T26N-R57E.

Docket No. 13-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
3. Sections 35 and 36, T27N-R57E, were designated a permanent spacing unit by Order 35-2017, and Bakken/Three Forks interests within the spacing unit were pooled by Order 36-2017.

BOARD ORDER NO. 11-2023

4. Kraken is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Farrah 35-36 #1H well.

5. No protest to the application of Kraken was made.

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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Section 36, T27N-R57E and all of Sections 1 and 12, T26N-R57E, Richland and Roosevelt Counties, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said overlapping temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

IT IS FURTHER ORDERED that the pooling order established by Board Order 36-2017 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Farrah 35-36 #1H well.

IT IS FURTHER ORDERED that Board Order 440-211 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. 11-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 SECTION 36, T27N-R57E AND ALL OF SECTIONS 1 AND 12, T26N-R57E, RICHLAND AND ROOSEVELT COUNTIES, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. THE OVERLAPPING TEMPORARY SPACING UNIT SHALL BE LIMITED TO PRODUCTION FROM THE PROPOSED HORIZONTAL WELLS.

ORDER 12-2023

Docket No. 14-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Justin Payne, landman, and Joshua Lachner, reservoir engineer, 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 11-2023.
4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Section 36, T27N-R57E and Sections 1 and 12, T26N-R57E, Richland and Roosevelt Counties, Montana.
5. No protest to the application of Kraken was made.
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 § 82-11-201, MCA have been met.

BOARD ORDER NO. 12-2023

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 Section 36, T27N-R57E and all of Sections 1 and 12, T26N-R57E, Richland and Roosevelt Counties, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

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 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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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 EMPIRE NORTH  
DAKOTA LLC TO APPEAR AND PROVIDE AN UPDATE OF ITS  
ACTIONS TAKEN TO REDUCE ITS PLUGGING LIABILITY.

ORDER 13-2023

Docket No. 15-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 Charles 'Chuck' Ong, production superintendent, appeared on behalf of Empire North Dakota LLC (Empire).
3. Mr. Lee stated that Empire has been going through staff changes and was unaware that Board Order 55-2022 required Board staff to provide the Board an update of its efforts to reduce its plugging liability at the December 7, 2022, business meeting.
4. To date, Empire had not reactivated, plugged, or filed any intents to abandon any of its shut-in wells. The shut-in well count remains the same as when Empire acquired the wells in 2019. There has also been a recent surface owner complaint regarding messy locations and weed issues.
5. Empire provided a rig schedule of the planned well work that is to begin as early as this month. Empire also stated it will file the proper paperwork prior to beginning any well work.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that staff will provide the Board an update at the April 12, 2023, business meeting of Empire's progress to reduce its plugging liability.

IT IS FURTHER ORDERED that Empire appear at the June 15, 2023, public hearing to provide an update of its activities to reduce its plugging liability by either plugging wells or returning wells to production.

BOARD ORDER NO. 13-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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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 EMPIRE NORTH DAKOTA LLC TO AUTHORIZE THE DRILLING OF AN ADDITIONAL RED RIVER FORMATION WELL WITHIN THE PERMANENT SPACING UNIT COMPRISED OF THE NE¼ OF SECTION 34 AND THE NW¼ OF SECTION 35, T26N-R57E, RICHLAND COUNTY, MONTANA AT A PROPOSED WELL LOCATION APPROXIMATELY 1,980' FNL AND 1,980' FEL IN SECTION 34, AS AN EXCEPTION TO BOARD ORDER 55-1976 (MIDDLE SIOUX PASS FIELD).

ORDER 14-2023

Docket No. 124-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Jeff Wingerter, consulting geologist, Tom Hohn, consulting petroleum engineer, appeared on behalf of Empire North Dakota LLC (Empire).
3. The lands described in the caption were designated a permanent spacing unit for production from the Red River Formation by Montana Board of Oil and Gas Conservation Order 55-1976.
4. Evidence presented at the time of the hearing supports the drilling of an additional Red River Formation well in the NE¼ of Section 34 and the NW¼ of Section 35, T26N-R57E, Richland County, Montana.
5. No protest to the application of Empire was made.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Empire North Dakota LLC is authorized to drill an additional Red River Formation well in the permanent spacing unit comprised of NE¼ of Section 34 and the NW¼ of Section 35, T26N-R57E, Richland County, Montana, with said well to be located approximately 1,980' FNL and 1,980' FEL in Section 34, as an exception to Board Order 55-1976.

BOARD ORDER NO. 14-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

\_\_\_\_\_  
Corey Welter, Board Member

\_\_\_\_\_  
Jeff Wivholm, Board Member

**I dissent**

\_\_\_\_\_  
Paul Gatzemeier, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF FORZA OPERATING, LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL 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.

ORDER 15-2023

Docket No. 128-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Don Lee, attorney, and Eric Johnson, geophysicist and geologist, appeared on behalf of Forza Operating, LLC (Forza).
3. The W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 34, T35N-R1E, Toole County comprise a statewide temporary spacing unit for production from the Nisku Formation. Applicant has completed the Turner 34-1H well as a producing well.
4. Forza testified at the hearing that it plans to drill up to three additional wells in the proposed spacing unit to fully develop the section.
5. No protest to the application of Forza was made.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all of Section 34, T35N-R1E, Toole County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Nisku Formation.

IT IS FURTHER ORDERED that the Turner 34-1H well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 15-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

\_\_\_\_\_  
Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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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 3 WELLS IN TOOLE COUNTY, MONTANA, FROM J. BURNS BROWN OPERATING COMPANY TO A. B. ENERGY LLC AND 4 WELLS IN TOOLE COUNTY, MONTANA, FROM BALKO, INC. 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.

ORDER 16-2023

Docket No. 16-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 Bo Woods, managing member, appeared on behalf of A.B Energy, LLC (A.B. Energy).
3. The Board and its staff reviewed A. B. Energy's change of operator requests from J. Burns Brown Operating Company and Balko, Inc.
4. A. B. Energy is making an effort to reduce its shut-in well count and stated that it plans to plug the State 6 well. Prior to committing to plug other shut-in wells, A.B. Energy needs time to evaluate the wells.
5. Due to the number of wells on the existing \$50,000 multiple well bond and the potential for significant future plugging liability, the Board discussed whether maintaining the current bonding level would provide adequate bond coverage.
6. The Board determined that the adequacy of A.B. Energy's existing \$50,000 multiple well plugging and reclamation bond will be revisited at the October 5, 2023, public hearing.
7. No protest to the application of A.B. Energy was made.
8. 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.

BOARD ORDER NO. 16-2023

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that A.B Energy appear at the October 5, 2023, public hearing to review A.B. Energy's plugging and reclamation bonds.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 51 WELLS IN RICHLAND AND ROOSEVELT COUNTIES, MONTANA, FROM EOG RESOURCES, INC. TO GRAYSON MILL OPERATING, 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.

ORDER 17-2023

Docket No. 17-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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, Dusty Grosulak, regulatory manager, and Tori Siemieniewski, senior regulatory advisor, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
3. The Board and its staff reviewed Grayson Mill's change of operator requests from EOG Resources, Inc.
4. The Board determined that Grayson Mill's existing \$100,000 multiple well plugging and reclamation bond is adequate and in accordance with ARM 36.22.1308(3).
5. No protest to the application of Grayson Mill was made.
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 that staff may proceed with administrative review and approval of the change of operator request.

BOARD ORDER NO. 17-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 FAIRWAYS EXPLORATION & PRODUCTION, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS STATES 1-21 WELL, API # 25-099-21314, LOCATED IN THE NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 21, T27N-R8W, TETON COUNTY, MONTANA.

ORDER 18-2023

Docket No. 18-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, 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. Members Steven Durrett and Paul Gatzemeier were absent. 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 Fairways Exploration & Production, LLC (Fairways).

3. At the December 7, 2022, business meeting, Fairways was brought to the Board's attention for its States 1-21 well that has not produced in over two years.

4. Brent Kallop, president of Fairways, submitted a letter that stated it plans to plug and abandon the well this spring and is in the process of securing bids from plugging contractors.

5. Staff recommended the docket be continued to the October 5, 2023, public hearing.

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

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED that Docket 18-2023 is continued until the October 5, 2023, public hearing.

BOARD ORDER NO. 18-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 MYSTIQUE RESOURCES COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS MURRAY 1 WELL, API # 25-091-21621, LOCATED IN THE S½N½ OF SECTION 1, T33N-R55E, SHERIDAN COUNTY, MONTANA.

ORDER 19-2023

Docket No. 19-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, 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. Members Steven Durrett and Paul Gatzemeier were absent. 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 Mystique Resources Company (Mystique).
3. At the December 7, 2022, business meeting, Mystique was brought to the Board's attention for its Murray 1 well that has not produced in over two years.
4. Mystique responded that due to its financial conditions it is unable to plug the well. Mystique requested the Board to plug the well, forfeit its \$10,000 plugging and reclamation bond, and charge it for the balance remaining.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

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

Order

IT IS THEREFORE ORDERED by the Board that Mystique is fined \$1,000 for failure to appear at the February 2, 2023, public hearing.

IT IS FURTHER ORDERED that Mystique must begin to plug and abandon its Murray 1 well, API # 25-091-21621, located in the S½N½ of Section 1, T33N-R55E, Sheridan County, Montana, prior to the April 13, 2023, public hearing. Failure to begin to plug and abandon 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. 19-2023

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member (absent)

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 NORTH RANGE EXPLORATION, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT HAVE TO FILE MISSING COMPLETION DATA FOR THE PILLARS 32-2 WELL, API # 25-111-21276, LOCATED IN THE SW¼SW¼ OF SECTION 32, T3S-R25E, YELLOWSTONE COUNTY, MONTANA.

ORDER 20-2023

Docket No. 20-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 North Range Exploration, LLC (North Range).
3. At the December 7, 2022, business meeting, North Range was brought to the Board's attention for its failure to submit completion data for the Pillars 32-2 well.
4. A field inspector witnessed the plugging of the Pillars 32-2 well in 2013. Several attempts have been made to obtain completion data and the subsequent report of abandonment from North Range without success.
5. North Range has no other active wells in the State and the Pillars 32-2 well remains on a \$1,500 single well bond.
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.

BOARD ORDER NO. 20-2023

Order

IT IS THEREFORE ORDERED that North Range is fined \$1,000 for failure to appear at the February 2, 2023, public hearing.

IT IS FURTHER ORDERED that any future bond release request be referred to the Board.

IT IS FURTHER ORDERED by the Board that Docket 20-2023 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 BIG SKY ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT PRODUCTION AND INJECTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$1080.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS BIG SKY ENERGY, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 21-2023

Docket No. 22-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 Big Sky Energy, LLC (Big Sky).
3. The president of Big Sky recently passed away. His spouse is working on taking over operations and hiring help for reporting in order to get into compliance.
4. Big Sky has not filed the delinquent production and injection reports or paid the outstanding fine of \$1,080 assessed delinquent reporting.
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 taking the following action is appropriate.

BOARD ORDER NO. 21-2023

Order

IT IS THEREFORE ORDERED that Docket 22-2023 is continued until the April 13, 2023, public hearing.

IT IS FURTHER ORDERED that staff may dismiss this matter should the delinquent reports and penalties for delinquent reporting are received prior to the April 13, 2023, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 LANDTECH ENTERPRISES, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT INJECTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$340.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS LANDTECH ENTERPRISES, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 22-2023

Docket No. 27-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 Landtech Enterprises, LLC (Landtech).
3. Landtech filed the delinquent injection reports prior to this hearing but has not paid the outstanding fine of \$340.
4. 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. 22-2023

Order

IT IS THEREFORE ORDERED that Landtech is fined \$1,000 for failure to appear at the February 2, 2023, public hearing.

IT IS FURTHER ORDERED that Landtech is to appear at the April 13, 2023, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 LYON, JOHN J. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT PRODUCTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$120.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS LYON, JOHN J. TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 23-2023

Docket No. 28-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 Lyon, John J. (Lyon).
3. Rimrock Oil Company is the bonded operator of the Fee 1 well, API # 25-101-23087, but Lyon has been filing production reports on this well that has been shut-in for several years.
4. Staff recommended Lyon's docket be dismissed and the bonded operator, Rimrock Oil Company, be docketed for the April hearing.
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 taking the following action is appropriate.

BOARD ORDER NO. 23-2023

Order

IT IS THEREFORE ORDERED by the Board that Docket 28-2023 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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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 MCOIL MONTANA ONE LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT PRODUCTION REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$220.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED TEN DAYS PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS MCOIL MONTANA ONE LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 24-2023

Docket No. 29-2023

Report of the Board

The above entitled cause came on regularly for hearing on February 2, 2023, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Steven Durrett was absent. 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 McOil Montana One LLC (McOil).
3. McOil has not filed the delinquent production reports or paid the outstanding fine of \$220 assessed for delinquent reporting.
4. McOil emailed staff prior to the hearing and stated that the Board's address of record for McOil is incorrect. A new address was not provided. It is the operator's responsibility to notify the Board of any address changes per ARM 36.22.306(2).
5. McOil requested the Board not assess it a \$1,000 fine for failure to appear at the February hearing.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that 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. 24-2023

Order

IT IS THEREFORE ORDERED that McOil is fined \$1,000 for failure to appear at the February 2, 2023, public hearing.

IT IS FURTHER ORDERED that McOil is to appear at the April 13, 2023, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting.

IT IS FURTHER ORDERED that the Board will consider waiving the \$1,000 fine issued for failure to appear if McOil appears at the April 13, 2023, public hearing and is in compliance at that time.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 2<sup>nd</sup> day of February, 2023.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman (absent)

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist