

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
BILLINGS, MONTANA  
April 12 & 13, 2023

NOTICE OF PUBLIC HEARING

( CONSERVATION AND PREVENTION  
( OF WASTE OF OIL AND GAS

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, April 12, 2023, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Public comment on agenda and non-agenda items
3. Approval of minutes of February 1, 2023, business meeting
4. Review of Empire North Dakota LLC reduction in plugging liability
5. Delinquent annual UIC fees
6. Financial report
7. Bond summary & incident report
8. Docket summary
9. Gas flaring exceptions
10. Inactive well review
11. Orphan well and federal grant update
12. Staff reports
13. Other business
14. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, April 13, 2023, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

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

Docket 30-2023

**APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of all of Section 20, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Grinde 20-1H well.

Docket 31-2023

**APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of all of Section 27, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Turner 27-1H well.

Docket 32-2023

**APPLICANT: FORZA OPERATING, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Forza Operating, LLC** to designate a permanent spacing unit comprised of all of Section 29, T35N-R1E, Toole County, Montana, for the production of oil and associated natural gas from the Nisku Formation with respect to the Grinde 29-1H well.

Docket 33-2023

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 335-2011 to authorize the drilling of up to four horizontal Bakken/Three Forks Formation wells from a common pad anywhere within the temporary spacing unit comprised of all of Sections 16 and 21, T25N-R58E, Richland County, Montana, 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 wells commence within one year of the date of the order issued by the Board. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests to vacate Board Order 324-2014 that designated up to five additional wells in the temporary spacing unit comprised of all of Sections 16 and 21, T25N-R58E.

Docket 34-2023

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 300-2012 to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the permanent spacing unit comprised of all of Sections 15 and 22, T25N-R58E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 35-2023

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

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 15, 16, 21, and 22, T25N-R58E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between the permanent spacing unit comprised of all of Sections 15 and 22, T25N-R58E and the temporary spacing unit comprised of all of Sections 16 and 21, T25N-R58E, with a 200' heel/toe setback to the exterior boundaries thereof. Operations for the drilling of said well must commence within one year of the date of the order issued by the Board. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well, and applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 36-2023

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

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 16, 17, 20, and 21, T25N-R58E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between the temporary spacing unit comprised of all of Sections 16 and 21, T25N-R58E and the permanent spacing unit comprised of all of Sections 17 and 20, T25N-R58E, with a 200' heel/toe setback to the exterior boundaries thereof. Operations for the drilling of said well must commence within one year of the date of the order issued by the Board. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well, and applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 37-2023

**APPLICANT: PRIMA EXPLORATION, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Prima Exploration, Inc.** to designate a permanent spacing unit comprised of all of Sections 18 and 19, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Butch Cassidy #1H, Butch Cassidy #2H, Butch Cassidy #3H, and Butch Cassidy #4H wells.

Docket 38-2023

**APPLICANT: PRIMA EXPLORATION, INC. – RICHLAND COUNTY, MONTANA**

Upon the application of **Prima Exploration, Inc.** to pool all interests in the permanent spacing unit comprised of all of Sections 18 and 19, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Butch Cassidy #1H, Butch Cassidy #2H, Butch Cassidy #3H, and Butch Cassidy #4H wells.

Docket 39-2023

**APPLICANT: BALKO, INC. AND A.B. ENERGY LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Balko, Inc. and A.B. Energy LLC** to designate a permanent spacing unit comprised of the SE $\frac{1}{4}$  of Section 12, T35N-R2E, Toole County, Montana, for the production of natural gas from the Bow Island Formation with respect to the Christian 10-12 well. Applicant requests the order to be effective as of December 1, 2019.

Applicant requests to vacate Board Order 4-1977 that pooled all of Section 12, T35N-R2E, Toole County, Montana.

Docket 40-2023

**APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Grayson Mill Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 1, 2, 11, 12, 13, and 14, T28N-R59E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests that Board Order 249-2013 pertaining to Sections 1 and 2, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 9-0201H well and that Order 250-2013 that authorized an additional well in that spacing unit be vacated.

Applicant requests that Board Order 308-2012 pertaining to Sections 11 and 12, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 10-1211H well and that Order 309-2012 that authorized an additional well in that spacing unit be vacated.

Applicant further requests that Board Order 617-2012 pertaining to Sections 13 and 14, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 11-1314H well and that Order 618-2012 that authorized an additional well in that spacing unit be vacated.

Docket 41-2023

**APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Grayson Mill Operating, LLC** to authorize the drilling of up to five additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 1, 2, 11, 12, 13, and 14, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 42-2023

**APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Grayson Mill Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T28N-R59E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests that Board Order 311-2012 pertaining to Sections 23 and 24, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 1-2423H well and that Order 312-2012 that authorized an additional well in that spacing unit be vacated.

Applicant requests that Board Order 314-2012 pertaining to Sections 25 and 26, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 4-2625H well and that Order 315-2012 that authorized an additional well in that spacing unit be vacated.

Applicant further requests that Board Order 481-2013 pertaining to Sections 35 and 36, T28N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Stateline 13-3635H well and that Order 482-2013 that authorized an additional well in that spacing unit be vacated.

Docket 43-2023

**APPLICANT: GRAYSON MILL OPERATING, LLC – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Grayson Mill Operating, LLC** to authorize the drilling of up to five additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T28N-R59E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 44-2023

**APPLICANT: TRUE OIL LLC – RICHLAND COUNTY, MONTANA**

Upon the application of **True Oil LLC** to drill the Anvick SWD 1 well in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 3, T25N-R58E, Richland County, Montana (Four Mile Creek Field) as a saltwater disposal well in the Dakota Formation at a depth of 5,265-5,567 ft. Staff notes this application is eligible for placement on the default docket.

Docket 9-2023

Continued from February 2023

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

Upon the application of **Kraken Oil & Gas LLC** to create a temporary spacing unit comprised of all of Sections 2, 11, 14, and 23, 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. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests to vacate Board Orders 210-2014, 320-2014 47-2020 and 3-2022 that designated a temporary spacing unit comprised of all of Sections 2, 11, and 14, T24N-R59E and authorized additional wells in that spacing unit.

Docket 10-2023

Continued from February 2023

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

Upon the application of **Kraken Oil & Gas LLC** to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the temporary spacing unit comprised of all of Sections 2, 11, 14, and 23, T24N-R59E, Richland County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

Docket 45-2023

**APPLICANT: CONTINENTAL RESOURCES INC. – ROOSEVELT COUNTY, 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 4 wells in Roosevelt County, Montana, from **White Rock Oil & Gas, LLC** to **Continental Resources, 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.

Docket 46-2023

**APPLICANT: BLACK GOLD ENERGY SHERIDAN FACILITY, INC. – SHERIDAN COUNTY, 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 the Sheridan Facility SWD well, API # 25-091-21892, located in the SW¼SW¼ of Section 18, T33N-58E, Sheridan County, Montana, from **Cypress Energy Partners - Sheridan SWD, LLC to Black Gold Energy Sheridan Facility, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 47-2023

**SHOW-CAUSE HEARING**

**RESPONDENT: DIAMOND HALO GROUP LLC – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Diamond Halo Group LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent production reporting. In accordance with Board policy the amount due now is \$140.00. This docket will be dismissed if payment is 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 Diamond Halo Group LLC to further penalties as prescribed by Board Policy.

Docket 48-2023

**SHOW-CAUSE HEARING**

**RESPONDENT: MCOIL MONTANA ONE LLC – TOOLE COUNTY, 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 pay the \$220.00 penalty assessed for delinquent reporting. The Board will consider waiving the \$1,000 fine issued for failure to appear at the February 2, 2023, public hearing if McOil Montana One LLC appears at the April 13, 2023, public hearing and is in compliance at that time.

Docket 49-2023

**SHOW-CAUSE HEARING**

**RESPONDENT: MYSTIQUE RESOURCES COMPANY– SHERIDAN COUNTY, 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 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.

Docket 50-2023

**SHOW-CAUSE HEARING**

**RESPONDENT: LANDTECH ENTERPRISES, LLC – RICHLAND AND ROOSEVELT COUNTIES, 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 pay the administrative penalty assessed for delinquent injection reporting.

Docket 51-2023  
**SHOW-CAUSE HEARING**

**RESPONDENT: WESTERN MEADOWLARK RESOURCES LLC– SHERIDAN COUNTY, MONTANA**

Upon the Board's own motion to require **Western Meadowlark Resources LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent production and injection reporting. In accordance with Board policy the amount due now is \$300.00. This docket will be dismissed if payment is 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 Western Meadowlark Resources LLC to further penalties as prescribed by Board Policy.

Docket 22-2023  
**SHOW-CAUSE HEARING**  
Continued from February 2023

**RESPONDENT: BIG SKY ENERGY, LLC – CARBON, GOLDEN VALLEY, AND STILLWATER, COUNTIES, 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.

BOARD OF OIL AND GAS CONSERVATION

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Jennifer Breton, Program Specialist