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.

ORDER 25-2023

Docket No. 30-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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 E½E½ of Section 20, T35N-R1E, Toole County comprise a statewide temporary spacing unit for production from the Nisku Formation. Applicant has completed the Grinde 20-1H well as a producing well.
 - 4. No protest to the application of Forza 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.

<u>Order</u>

IT IS THEREFORE ORDERED by the Board that all of Section 20, 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 Grinde 20-1H well is the authorized well for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

OF THE STATE OF MONTANA Steven Durrett, Chairman Corey Welter, Vice-Chairman Roy Brown, Board Member Paul Gatzemeier, Board Member (absent) Mac McDermott, Board Member W. John Tietz, Board Member Jeff Wivholm, Board Member ATTEST:

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 No. 33-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 335-2011.
- 4. Evidence presented at the time of the hearing supports the drilling of four additional horizontal Bakken/Three Forks interval wells in Sections 16 and 21, T25N-R58E, Richland, 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.

ORDER 27-2023

Conclusions of Law

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

<u>Order</u>

IT IS THEREFORE ORDERED by the Board that Order 335-2011 is amended to authorize the drilling of up to four additional 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 boundaries thereof, provided that operations for the drilling of said wells 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 Board Order 324-2014 is hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	

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.

ORDER 28-2023

Docket No. 34-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 298-2012.
- 4. At the time of hearing, the applicant requested the application be amended to authorize the drilling of two additional wells in the permanent spacing unit instead of three additional wells.
- 5. Evidence presented at the time of the hearing supports the drilling of two additional horizontal Bakken/Three Forks interval wells in Sections 15 and 22, T25N-R58E, Richland, Montana.
 - 6. No protest to the application of Kraken was made.
- 7. 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 Order 300-2012 is amended to authorize the drilling of up to two additional horizontal Bakken/Three Forks Formation wells in the permanent spacing unit comprised of all of Sections 15 and 22, T25N-R58E, 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 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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.

ORDER 29-2023

Docket No. 35-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. Sections 15 and 22, T25N-R58E were designated a permanent spacing unit by Order 298-2012 and Sections 16 and 21, T25N-R58E were designated a temporary spacing unit by Order 303-2010.
 - 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.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 15, 16, 21, and 22, T25N-R58E, 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 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 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 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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.

ORDER 30-2023

Docket No. 36-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. Sections 16 and 21, T25N-R58E were designated a temporary spacing unit by Order 303-2010 and Sections 17 and 20, T25N-R58E were designated a permanent spacing unit by Order 257-2013.
 - 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.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 16, 17, 20, and 21, T25N-R58E, 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 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, 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 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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.

ORDER 33-2023

Docket No. 37-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier was absent. Member Corey Welter recused himself and took no part in this matter. 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, Ron Solt, land manager, and Ren Gartner, consulting petroleum engineer, appeared on behalf of Prima Exploration, Inc. (Prima).
- 3. Sections 18 and 19, T25N-R59E comprise a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 380-2011. Additional wells were authorized within the temporary spacing unit by Board Order 86-2021. Applicant has completed the Butch Cassidy #1H, Butch Cassidy #2H, Butch Cassidy #3H, and Butch Cassidy #4H wells as producing wells.
 - 4. No protest to the application of Prima 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.

<u>Order</u>

IT IS THEREFORE ORDERED by the Board that all of Sections 18 and 19, T25N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that the Butch Cassidy #1H, Butch Cassidy #2H, Butch Cassidy #3H, and Butch Cassidy #4H are the authorized wells for said permanent spacing unit.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

	OF THE STATE OF MONTANA
	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman (recused)
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	

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.

ORDER 34-2023

Docket No. 38-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier was absent. Member Corey Welter recused himself and took no part in this matter. 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, Ron Solt, land manager, and Ren Gartner, consulting petroleum engineer, appeared on behalf of Prima Exploration, Inc. (Prima).
- 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 33-2023.
- 4. The applicant has made a good-faith attempt to voluntarily pool the interests within the permanent spacing unit but has been unsuccessful.
 - 5. All refusing owners were given proper and sufficient notice as required under § 82-11-202.
 - 6. No protest to the application of Prima was made.
- 7. 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.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 18 and 19, T25N-R59E, Richland, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Butch Cassidy #1H, Butch Cassidy #2H, Butch Cassidy #3H, and Butch Cassidy #4H wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman (recused)
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	Mae MeBelmon, Board Membel
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF BALKO, INC. AND A.B. ENERGY LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE SE¼ 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.

ORDER 35-2023

APPLICANT REQUESTS TO VACATE BOARD ORDER 4-1977 THAT POOLED ALL OF SECTION 12, T35N-R2E, TOOLE COUNTY, MONTANA.

Docket No. 39-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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 Justin Balkenbush, petroleum engineer, appeared on behalf of Balko, Inc. and A.B. Energy LLC (Balko and A.B. Energy).
- 3. Section 12, T35N-R2E, was designated a spacing unit for production from the Bow Island Formation under Gold Butte Field rules established by Order 26-1959. The Christian 10-12 well was subsequently drilled and completed in the Bow Island Formation and interests within the spacing unit were pooled by Order 4-1977.
- 4. The well was shut-in from December 1995 until December 2019. During that time, the Gold Butte field rules had been vacated.
- 5. Don Lee stated at the hearing that notice had been given to the interest owners in the 640 acres spacing unit. There was no objection from these interest owners of the reduction of the spacing unit.
 - 6. No protest to the application of Balko and A.B. Energy was made.
- 7. 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.

<u>Order</u>

IT IS THEREFORE ORDERED by the Board that the SE¼ of Section 12, T35N-R2E, Toole County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bow Island Formation effective as of December 1, 2019.

IT IS FURTHER ORDERED that the Christian 10-12 well is the authorized well for said permanent spacing unit.

IT IS FURTHER ORDERED that Board Order 4-1977 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

	OF THE STATE OF MONTANA
	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
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	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	Mac McDelmon, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
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ATTEST:	

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 No. 40-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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.

ORDER 36-2023

BOARD ORDER NO. 36-2023

- 2. Uriah Price, attorney, Busch Thoma, senior regulatory advisor, and Niki Nichols, reservoir engineer, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
- 3. Sections 1 and 2, T28N-R59E, were designated a permanent spacing unit by Order 248-2013, and Bakken/Three Forks interests within the spacing unit were pooled by Order 249-2013. Sections 11 and 12, T28N-R59E, were designated a permanent spacing unit by Order 307-2012, and Bakken/Three Forks interests within the spacing unit were pooled by Order 308-2012. Sections 13 and 14, T28N-R59E, were designated a permanent spacing unit by Order 616-2012, and Bakken/Three Forks interests within the spacing unit were pooled by Order 617-2012.
- 4. Grayson Mill is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Stateline 9-0201H, Stateline 10-1211H, and Stateline 11-1314H wells.
- 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.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 1, 2, 11, 12, 13, and 14, T28N-R59E, Roosevelt County, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well from anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

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 249-2013 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 9-0201H well; the pooling order established by Board Order 308-2012 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 10-1211H well; and the pooling order established by Board Order 617-2012 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 11-1314H well.

IT IS FURTHER ORDERED that Board Orders 250-2013, 309-2012, and 618-2012 are hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
TTEST:	

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.

ORDER 37-2023

Docket No. 41-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Busch Thoma, senior regulatory advisor, and Niki Nichols, reservoir engineer, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
- 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 36-2023.
- 4. Evidence presented at the time of the hearing supports the drilling of five additional horizontal Bakken/Three Forks interval wells in Sections 1, 2, 11, 12, 13, and 14, T28N-R59E, Roosevelt County, Montana.
 - 5. No protest to the application of Grayson Mill 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 Grayson Mill is authorized to drill up to five additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 1, 2, 11, 12, 13, and 14, T28N-R59E, Roosevelt 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 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

	OF THE STATE OF MONTANA
	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	

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 No. 42-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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.

ORDER 38-2023

BOARD ORDER NO. 38-2023

- 2. Uriah Price, attorney, Busch Thoma, senior regulatory advisor, and Niki Nichols, reservoir engineer, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
- 3. Sections 23 and 24, T28N-R59E, were designated a permanent spacing unit by Order 310-2012, and Bakken/Three Forks interests within the spacing unit were pooled by Order 311-2012. Sections 25 and 26, T28N-R59E, were designated a permanent spacing unit by Order 313-2012, and Bakken/Three Forks interests within the spacing unit were pooled by Order 314-2012. Sections 35 and 36, T28N-R59E, were designated a permanent spacing unit by Order 480-2013, and Bakken/Three Forks interests within the spacing unit were pooled by Order 481-2013.
- 4. Grayson Mill is the majority working interest owner in the proposed overlapping temporary spacing unit and the operator of the Stateline 1-2423H, Stateline 4-2625H, and Stateline 13-3635H wells.
- 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.

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 23, 24, 25, 26, 35, and 36, T28N-R59E, Roosevelt County, Montana, is designated an overlapping temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well from anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

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 311-2012 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 1-2423H well; the pooling order established by Board Order 314-2012 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 4-2625H well; and the pooling order established by Board Order 481-2013 is limited to only oil and associated natural gas produced from the Bakken/Three Forks Formation through the wellbore of Stateline 13-3635H well.

IT IS FURTHER ORDERED that Board Orders 312-2012, 315-2012, and 482-2013 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.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

	OF THE STATE OF MONTANA
	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	D. 1C (- ' D. 1M 1 (1 d)
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	Mac McDelmon, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
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ATTEST:	

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.

ORDER 39-2023

Docket No. 43-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Busch Thoma, senior regulatory advisor, and Niki Nichols, reservoir engineer, appeared on behalf of Grayson Mill Operating, LLC (Grayson Mill).
- 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 38-2023.
- 4. Evidence presented at the time of the hearing supports the drilling of five additional horizontal Bakken/Three Forks interval wells in Sections 23, 24, 25, 26, 35, and 36, T28N-R59E, Roosevelt County, Montana.
 - 5. No protest to the application of Grayson Mill 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 Grayson Mill is authorized to drill up to five additional horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 23, 24, 25, 26, 35, and 36, T28N-R59E, Roosevelt 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.

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 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

UPON THE APPLICATION OF TRUE OIL LLC TO DRILL THE ANVICK SWD 1 WELL IN THE NE¼NW¼ 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.

ORDER 26-2023

Docket No. 44-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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 protest to the application of True Oil LLC was made.
- 3. 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 ARM 36.22.1403 have been met.

<u>Order</u>

IT IS THEREFORE ORDERED by the Board that the application of True Oil LLC is granted as applied for subject to stipulations on the sundry notice.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Steven Durrett, Chairman Corey Welter, Vice-Chairman Roy Brown, Board Member Paul Gatzemeier, Board Member (absent) Mac McDermott, Board Member W. John Tietz, Board Member Jeff Wivholm, Board Member

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 No. 9-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting 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 31-2023

Order

IT IS THEREFORE ORDERED by the Board that all of Sections 2, 11, 14, and 23, T24N-R59E, Richland County, Montana, is designated a temporary spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said 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 Board Orders 210-2014, 320-2014, 47-2020, and 3-2022 are hereby vacated.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13th day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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.

ORDER 32-2023

Docket No. 10-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, Lindsey Meszaros, consulting landman, and Joshua Lachner, reservoir engineer, appeared on behalf of Kraken Oil & Gas LLC (Kraken).
- 3. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 31-2023.
- 4. Evidence presented at the time of the hearing supports the drilling of three additional horizontal Bakken/Three Forks interval wells in Sections 2, 11, 14, and 23, 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.

Order

IT IS THEREFORE ORDERED by the Board that Kraken is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the temporary spacing unit comprised of all of Sections 2, 11, 14, and 23, 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 13^{th} day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	

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.

ORDER 40-2023

Docket No. 46-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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 Chris Blount, president, appeared on behalf of Black Gold Energy Sheridan Facility, Inc.
- 3. Board staff expressed concern about transferring the well when the sole owner, Chris Blount, has pending compliance issues through the continued Docket 108-2021 and Board Order 116-2022, regarding two other wells he operates. Mr. Blount's compliance will be reviewed at the June 15, 2023, public hearing.
- 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

- 1. Pursuant to Admin. R. Mont. 36.22.1308(9), the Board administrator may "delay or deny any change of operator request if he determines that either the transferor or the transferee is not in substantial compliance with the board's statutes, rules, or orders."
- 2. The Board concludes that Mr. Blount is not in substantial compliance with the Board's statutes, rules, and orders.
- 3. The Board concludes that continuance of the change of operator request until the June 15, 2023, public hearing is appropriate.

Order

IT IS THEREFORE ORDERED that Docket 46-2023 is continued until the June 15, 2023, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this $13^{\rm th}$ day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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.

ORDER 41-2023

Docket No. 48-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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, appeared on behalf of McOil Montana One LLC (McOil).
- 3. McOil was assessed a \$1,000 fine for failure to appear at the February 2, 2023, public hearing. Based on a letter McOil sent to the Board prior to that hearing, the Board agreed to consider waiving this fine if McOil appears at this hearing and is in compliance.
- 4. McOil filed the delinquent production reports and paid the outstanding fine of \$220 assessed for delinquent reporting.
 - 5. Staff recommended the docket be dismissed.
- 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 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 the \$1,000 fine is waived.

IT IS FURTHER ORDERED that Docket 48-2022 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
ATTEST:	
Jennifer Breton, Program Specialist	

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 I 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.

ORDER 42-2023

Docket No. 49-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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 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, and has not shown cause why its bond should not be forfeited.

Order

IT IS THEREFORE ORDERED by the Board that the plugging and reclamation bond for Mystique Resources Company is hereby forfeited.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

	Steven Durrett, Chairman
	Corey Welter, Vice-Chairman
	Roy Brown, Board Member
	Paul Gatzemeier, Board Member (absent)
	Mac McDermott, Board Member
	W. John Tietz, Board Member
	Jeff Wivholm, Board Member
TTEST:	

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.

ORDER 43-2023

Docket No. 50-2023

Report of the Board

The above entitled cause came on regularly for hearing on April 13, 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 Paul Gatzemeier 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. Alyssa Campbell, attorney, appeared on behalf of Landtech Enterprises, LLC (Landtech).
 - 3. Landtech filed the delinquent injection reports and paid the outstanding fine of \$1,340.
 - 4. Staff recommended the docket be dismissed.
- 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 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 Docket 50-2023 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 13^{th} day of April, 2023.

BOARD OF OIL AND GAS CONSERVATION

OF THE STATE OF MONTANA Steven Durrett, Chairman Corey Welter, Vice-Chairman Roy Brown, Board Member Paul Gatzemeier, Board Member (absent) Mac McDermott, Board Member W. John Tietz, Board Member Jeff Wivholm, Board Member ATTEST: