

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

GREG GIANFORTE, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

March 10, 2023

Chris Blount, President  
Black Gold Energy Sheridan Facility, Inc.  
5646 Hesper Road  
Billings, MT 59106

Re: Pending Notice of Intent to Change Operator and Request to Appear

Dear Mr. Blount:

This letter is regarding the Notice of Intent to Change Operator request from Cypress Energy Partners - Sheridan SWD, LLC to Black Gold Energy Sheridan Facility, Inc. (Black Gold) that was recently submitted to the Board of Oil and Gas Conservation (Board).

The Board and its staff have reviewed the request and the transfer involve a commercial disposal well for which the primary purpose is for-profit disposal of oil and gas wastes not generated by the well operator. Due to the Board's transfer of plugging and reclamation policy, the approval of the change of operator request is being referred to the Board. The policy is enclosed. Black Gold is requested to appear at the April 13, 2023, public hearing. At that time, the Board will determine if Black Gold's proposed well plugging and reclamation bond is adequate prior to the approval of the change of operator request. Black Gold and its attorney should review the enclosed policy for the suggested information to provide to the Board.

**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 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.**

If you have any questions, please contact me at (406) 656-0040 or at [bjones@mt.gov](mailto:bjones@mt.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Jones".

Benjamin Jones  
Administrator / Petroleum Engineer

cc: Cypress Energy Partners - Sheridan SWD, LLC

DIVISION OFFICE  
1539 11th AVENUE  
PO BOX 201601  
HELENA, MONTANA 59620-1601  
(406) 444-6731

TECHNICAL AND  
SOUTHERN FIELD OFFICE  
2535 ST. JOHNS AVENUE  
BILLINGS, MONTANA 59102-4693  
(406) 656-0040

NORTHERN FIELD OFFICE  
201 MAIN STREET  
PO BOX 690  
SHELBY, MONTANA 59474-0690  
(406) 434-2422

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**MONTANA BOARD OF OIL AND GAS CONSERVATION**  
2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102

**RECEIVED**

**MAR 09 2023**

**Notice of Intent to Change Operator**

The undersigned Transferor hereby notifies the Board of Oil and Gas Conservation of its intention to transfer ownership and/or operation of the following wells to the undersigned Transferee.

Lease Name: <b>SHERIDAN FACILITY SWD</b>	Lease type:(Private, State, Federal, Indian) <b>PRIVATE</b>
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County: <b>SHERIDAN</b>	Field name: <b>WILDCAT</b>
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Description of wells: Include API well number, well name and number, and exact location of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type. ( Federal, Indian, Private, State) Attach additional sheets as necessary.  
**25-091021892-00-00**  
**SHERIDAN FACILITY SWD**  
**SECTION 18 TOWNSHIP 33N RANGE 58E**  
**PRIVATE LEASE**

Number of Wells to be Transferred: <u>1</u>	Effective Date of Transfer: <u>3/1/2023</u>
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**Transferor's Statement:**  
 I hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and all associated equipment and facilities until such time as this transfer is approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:

**Transferee's Statement:**  
 I hereby accept the designation of operator/owner for the above described well(s). I understand that this transfer will not be approved until the Transferee has complied with the Board's bonding requirements. I acknowledge that under Section 82-11-101 MCA, the Transferee herein is responsible for the costs of proper plugging and restoration of the surface of the well(s) described above. I certify that the information contained herein is true and correct:

Company CYPRESS ENERGY PARTNERS-  
 Street Address SHERIDAN FACILITY, LLC.  
 P.O. Box 5727 LEWIS AVENUE SUITE 300  
 City, State, ZIP TULSA OKLAHOMA 74105  
 Signed *Peter C. Boylan III*  
 Print Name PETER C. BOYLAN III  
 Title MEMBER  
 Telephone ( 918 ) 748-3903  
 Date 3/1/2023

Company BLACK GOLD ENERGY SHERDIAN  
 Street Address FACILITY, INC.  
 P.O. Box 5646 HESPER ROAD  
 City, State, ZIP BILLINGS, MONTANA 59106  
 Signed *Chris L. Blount*  
 Print Name CHRIS L. BLOUNT  
 Title PRESIDENT  
 Telephone ( 406 ) 698-6170  
 Date 3/1/2023

**BOARD USE ONLY**

Approved \_\_\_\_\_  
 Date \_\_\_\_\_  
 Name \_\_\_\_\_ Title \_\_\_\_\_

Field Office Review	Date	Initial
Inspection	_____	_____
Records Review	_____	_____
Operations	_____	_____

Oper. No. 693 Bond No. TI

Oper. No. \_\_\_\_\_ Bond No. \_\_\_\_\_

#9075

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**Instructions for Form 20**

This form is used to change the Operator of Record for wells. Complete the front portion of this form as indicated.

To transfer a number of wells please type: "See attached list" in the **Description of Wells** area and include the list of wells as an attachment.

The list of wells should be separated by lease and sorted by Township, Range, and Section. Wells should be identified as Federal, Indian, Private, or State under lease type. Injection/SWD wells should be identified as such. Plugged and Abandoned wells should not be included for transfer. The list should be in the following format:

<u>API Number</u>	<u>Lease Name</u>	<u>Well Number</u>	<u>Twp. Rge. Sec.</u>	<u>Qtr Qtr</u>	<u>Footage</u>	<u>Lease Type</u>
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The form must be signed by both the current owner/operator (transferor) and the proposed new owner/operator (transferee). The current operator of record will continue to be responsible for any wells and associated equipment or facilities until the transfer is approved by an authorized agent of the Montana Board of Oil and Gas Conservation.

**For large change of operator submissions, if possible, please include a diskette containing the data list.**

The Montana Board of Oil and Gas Conservation may withhold approval of the transfer until the well(s) made the subject of this form is (are) in substantial compliance with all applicable Board rules. All production reports, notices, forms, logs, samples, or other information required by Board law, rule, or order must be on file with the Board. The transferee must be in compliance with the Board's bonding requirements, as provided in Rules 36.22.1308 and 1408 ARM, before the transfer can be approved. A copy of the approved or disapproved Form 20 will be returned to each party.

Parties transferring wells are advised that the identity of responsible persons as defined by Section 82-11-101, MCA, will be determined by the Board's records.

If this form relates to a proposed change in the operator of record for a State of Montana oil and gas lease issued by the Montana Board of Land Commissioners, the parties should send a separate copy of this form to the Montana Department of Natural Resources and Conservation, Trust Lands Management Division, Minerals Management Bureau, 1625 Eleventh Avenue, P.O. Box 201601, Helena Montana 59620-1601.

The proposed new operator should have a current copy of the rules and laws of the Montana Board of Oil and Gas Conservation. Copies of the rules and laws may be obtained from any Board office, or are available on the Internet at <http://www.bogc.dnrc.mt.gov>.

**NOTICE: False or inaccurate information can void the transfer of a well or wells to another operator's bond. Be sure to verify the accuracy of all well descriptions and other information supplied with this form.**

BOARD USE ONLY

CONDITIONS OF APPROVAL

**RECEIVED**

**MAR 09 2023**

**MONTANA BOARD OF OIL &  
GAS CONSERVATION • BILLINGS**