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

IN THE MATTER OF THE APPLICATION OF KRAKEN OIL & GAS LLC FOR AN ORDER CREATING A PERMANENT SPACING UNIT ("PSU") COMPRISED OF ALL OF SECTIONS 29 AND 32, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION THEREUNDER, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. <u>57-2023</u>

APPLICATION

KRAKEN OIL & GAS LLC, 9805 Katy Freeway, Suite 300, Houston, Texas 77024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator within the above-described tract, and its Leah 29-32 #1H well has been successfully completed as a commercial producer of oil and associated natural gas from the Bakken/Three Forks formation thereunder.
- 2. The Leah 29-32 #1H well is completed in a reservoir containing common accumulations of oil and associated natural gas in the Bakken/Three Forks formation. To efficiently and economically develop the reservoir, and to protect the correlative rights of all owners, All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, should be designated a PSU for the production of oil and associated natural gas from the Bakken/Three Forks formation. Applicant has also drilled and completed its Leah 29-32 #2H, Leah 29-32 #3H and Leah 29-32 #4H wells in the Bakken/Three Forks formation within the proposed PSU.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the Board enter its order delineating All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, as a PSU for the production of oil and associated natural gas from the Bakken/Three Forks formation from the Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H and Leah 29-32 #4H wells.

DATED this 10th day of May, 2023.

By

John R. Lee, Its Attorney

CROWLEY FLECK PLLP

P.O. Box 2529

Billings, MT 59103-2529

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

IN THE MATTER OF THE APPLICATION OF KRAKEN OIL & GAS LLC FOR AN ORDER POOLING ALL INTERESTS IN THE PERMANENT SPACING UNIT ("PSU") COMPRISED OF ALL OF SECTIONS 29 AND 32, TOWNSHIP 25 NORTH, RANGE 59 EAST, M.P.M., RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION THEREUNDER, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE

MBOGC DOCKET NO. 59-2023

APPLICATION

KRAKEN OIL & GAS LLC, 9805 Katy Freeway, Suite 300, Houston, Texas 77024:

[A] Presents the following application:

- 1. Applicant is an interest owner and operator within the above-described tract, and its Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H and Leah 29-32 #4H wells have been successfully completed as commercial producers of oil and associated natural gas from the Bakken/Three Forks formation thereunder.
- 2. It is anticipated that the captioned lands will be designated a permanent spacing unit for purposes of Bakken/Three Forks formation production pursuant to MBOGC Order No. __-2023.
- 3. As of the date of this application, Applicant has been unable to establish voluntary pooling of all interests within said spacing unit with respect to the Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H and Leah 29-32 #4H wells, and it is anticipated that such pooling cannot be consummated prior to the hearing on this application.
- 4. In the absence of voluntary pooling of all interests within the PSU, the pooling of all interests in the spacing unit for the development and operation thereof should be effectuated by an order of the Board for that purpose.

[B] Requests:

- 1. This matter be set for hearing, with notice given as required by law and the MOU; and
- 2. After hearing the matter, the Board enter its order pooling all interests in the spacing unit comprised of All of Sections 29 and 32, Township 25 North, Range 59 East, M.P.M., Richland County, Montana, for production of oil and associated natural gas from the Bakken/Three Forks formation, and authorizing recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Leah 29-32 #1H, Leah 29-32 #2H, Leah 29-32 #3H and Leah 29-32 #4H wells.

DATED this 10th day of May, 2023.

By John R. Lee, Its Attorney

OIL& GASA

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P.O. Box 2529

KRAKEN

Billings, MT 59103-2529