

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

IN THE MATTER OF DIGITAL OPERATING COMPANY
LLC AND ITS PROGRESS TO REDUCE ITS PLUGGING
LIABILITY.

ADMINISTRATIVE ORDER 1-A-2024

In 2021, Digital Operating Company LLC (Digital Operating) acquired 18 wells from Abraxas Petroleum Corporation. At that time, there were nine wells that had not reported production in over two years. In October 2023, Digital Operating appeared at the public hearing regarding the acquisition of three producing wells in Sheridan County, Montana from Okie Crude Company. Two of the three wells in that transfer did not have reported production in over two years. At that hearing, Digital Operating testified that it planned to plug three wells and return five wells to production before the end of the year.

Digital Operating has returned some inactive wells to production; however, Board records indicate the number of wells that have not had reported production in over two years has remained at the same level following approval of the last transfer. Digital Operating has filed an intent to abandon its Belezza 1-24 well but has yet to plug any of the three wells it had planned to.

IT IS THEREFORE ORDERED by the Board that Digital Operating is to appear at the Board's October 9, 2024, business meeting to provide an update of its actions taken to reduce its plugging liability.

Dated this 10th day of April, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator