
SUMMARY PAGE

Review of HB Oil, LLC

June 15, 2023, Change of Operator for 16 wells approved by BOGC per Order 64-2023.

HB Oil, LLC activity since change of Operator:

Amigo 1 well with API 25-101-23160 shows intermittent production of 1 BBL of oil.

Epelweit 1 well with API 25-101-07100 shows no production for 23 months.

Lonesome 1 with API 25-101-22699 shows no production since 1/31/2021.

Lonesome 2 with API 25-101-22700 shows no production since 4/30/2022.

Lonesome 3 with API 25-101-22871 shows no production since 4/30/2022.

Lonesome 4 with API 25-101-23284 shows no production since 4/30/2022.

Me 1 with API 25-101-22583 shows no production since 4/30/2022.

Me 2 with API 25-101-22591 shows no production since 1/31/2021.

Me 3 with API 25-101-22592 shows no production since 4/30/2022.

Me 4 with API 25-101-23282 shows no production since 4/30/2022.

Nobody 1 with API 25-101-22473 shows no production since 4/30/2022.

Nobody 2 with API 25-101-22481 shows no production since 4/30/2022.

Nobody 3 with API 25-101-22494 shows no production since 4/30/2022.

Nobody 4 with API 25-101-22533 shows no production since 1/31/2021.

Nobody 5 with API 25-101-22572 shows no production since 1/31/2021.

Twin Counties Assn 1 with API 25-101-07713 shows no production since 4/30/2022.

No intents to plug and abandon well have been received by BOGC staff since change of operator was approved.

Shut-In Wells by Operator

8/12/2024

1:47:53 PM

926	A		Wells	SI	%
HB Oil, LLC			/ Well	16	15 94%

L1	Limited Bond	\$24,000	\$1,500.00	16	15	94%
----	--------------	----------	------------	----	----	-----

SI Two to Five Years	SI Five to Ten Years	SI Greater than Ten Years	Total
15	0	0	15

926/L1	Limited Bond		<i>Last Non-Zero</i>
926 L1	101-23284	Lonesome 4 34N-2W-18 SW NW SE 1540 FSL, 2200 FEL SI OIL	4/30/2022
926 L1	101-23282	Me 4 34N-2W-18 SE SW SW 383 FSL, 989 FWL SI OIL	4/30/2022
926 L1	101-22871	Lonesome 3 34N-2W-18 SE NW SE 1920 FSL, 1760 FEL SI OIL	4/30/2022
926 L1	101-22700	Lonesome 2 34N-2W-18 NE NW SE 2340 FSL, 1760 FEL SI OIL	4/30/2022
926 L1	101-22699	Lonesome 1 34N-2W-18 NW SE 2340 FSL, 2200 FEL SI OIL	1/31/2021
926 L1	101-22592	Me 3 34N-2W-18 SW NE SW 1540 FSL, 1435 FWL SI OIL	4/30/2022
926 L1	101-22591	Me 2 34N-2W-18 NW NE SW 2420 FSL, 1433 FWL SI OIL	1/31/2021
926 L1	101-22583	Me 1 34N-2W-18 NE NE SW 2420 FSL, 2308 FWL SI OIL	4/30/2022
926 L1	101-22572	Nobody 5 34N-2W-18 SW SE NW 2420 FNL, 1428 FWL SI OIL	1/31/2021
926 L1	101-22533	Nobody 4 34N-2W-18 W2 SE NW 1980 FNL, 1428 FWL SI OIL	1/31/2021
926 L1	101-22494	Nobody 3 34N-2W-18 W2 SE NW 1980 FNL, 1868 FWL SI OIL	4/30/2022
926 L1	101-22481	Nobody 2 34N-2W-18 NE SE NW 1650 FNL, 2199 FWL SI OIL	4/30/2022
926 L1	101-22473	Nobody 1 34N-2W-18 SE SE NW 2310 FNL, 2199 FWL SI OIL	4/30/2022
926 L1	101-07713	Twin Counties Assn 1 34N-2W-18 NW SE 1980 FSL, 2420 FEL SI OIL	4/30/2022
926 L1	101-07100	Epelweit 1 34N-2W-18 NE SW 2310 FSL, 1980 FWL SI OIL	4/30/2022

1 Operator(s) Included in Report

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

IN THE MATTER OF HB OIL, LLC AND ITS INACTIVE
WELLS IN TOOLE COUNTY, MONTANA.

ADMINISTRATIVE ORDER 8-A-2024

HB Oil, LLC (HB Oil) appeared at the June 15, 2023, public hearing regarding the acquisition of 16 producing wells, all of which had been shut in for more than a year. HB Oil testified at that hearing that the previous operator, H&R Energy, LLC (H&R), was going to assist in working to get the wells operational. The transfer was approved with the request that a staff update be provided at the October 4, 2023, business meeting. At that meeting, no work had been done to the wells due to H&R's service rig being out of order. The Board requested staff to provide a subsequent update at the August 14, 2024, business meeting.

As of the August 14, 2024, business meeting, Board records indicate one well had been reactivated with production reported in only four of the last 12 months for that well. The other 15 wells have no reported production in over two years.

Board staff recommended HB Oil be required to appear at a hearing to provide the Board with an update on the progress of its efforts to reduce its plugging liability and to discuss whether maintaining the current bonding level provides adequate bond coverage.

IT IS THEREFORE ORDERED by the Board that HB Oil appear at the October 10, 2024, public hearing to provide an update of its efforts to reduce its plugging liability and to review its plugging and reclamation bonds to determine if the coverage is adequate under § 82-11-123(5), MCA.

Dated this 14th day of August, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator

SUMMARY PAGE

New Horizon Resources, LLC Update

August 10, 2023, New Horizon Update to BOGC per Order 103-2023.

New Horizon activity since August 10, 2023:

Shaw 10 with API 25-101-23245 plugged 6/20/2024 which was an EOR injection well.

Shaw 23 with API 25-101-234246 plugged 6/19/2024 which was an EOR injection well.

State 5 with API 25-101-07446 plugged 9/26/2023 which was an Oil well.

SCCBSU 71B-4 with API 25-035-05603 plugged 11/13/2023 which was an EOR injection well.

Currently plugging 4 wells.

6 Wells to be plugged in 2025.

SUMMARY PAGE

Review of SpringLine Operating, LLC

October 5, 2023, Change of Operator for 34 wells approved by BOGC per Order 104-2023.

SpringLine Operating, LLC activity since change of Operator:

Plugged 1 SWD well, and 2 Oil wells.

12 producing wells:

Grosvold 1 with API 25-083-21720 brought back online 2/24.

Krogedal 21-21 with API 25-085-21636 brought back online 11/23.

14 wells shut-in:

State 31-16 H with API 25-085-21681 brought online for 2 months
(10/23 and 11/23)

USA Martin P-7 with API 25-083-21600 brought online for 1 month
(11/23)

Remainder of wells are Active Injectors or Temporarily Abandoned as of August 14, 2024.

SUMMARY PAGE

Board Business Meeting August 14, 2024

CONTANGO RESOURCES, INC. – CARBON COUNTY, MONTANA

**UIC Violations at: EBM2 309 EOR Well
Elk Basin Field
T9S-23E-35 SE SE SE**

- 04/18/2024: 5-year MIT due.
- 04/29/2024: During a field visit for MIT, field operator provided a wellbore diagram indicating a cement retainer (CICR) was drilled out @ 4,710'.
 - Well failed scheduled 5-year MIT (witnessed by John Gizicki). Well was shut-in and verbal notice of 180 days to plug or repair well was given.
- 06/14/2024: Board records show no indication of the CICR being drilled out at 4,710'. UIC Director contacted Contango requesting documentation pertaining to the CICR being drilled out be provided to the Board.
 - A workover report was provided indicating on 10/23/2023 the packer was pulled and the CICR at 4,710' was drilled out to open existing Madison B perforations without prior approval or a subsequent report being submitted. **(Rule violation: ARM 36.22.1010(1) Work-over, Recompletion, Well Stimulation – Notice and Approval).**
 - The workover report also indicated on 10/30/2023 a MIT was attempted where the annulus was pressured up to 1,000 psi and lost 220 psi in 7 minutes, which is a failed test.
 - No advance notice was given for the MIT and no subsequent report of the MIT was submitted to the Board. **Rule violation ARM 36.22.1417(1)(2) Notification of Test – Reporting Results.)**
 - Subsequently, the rig ended up moving off well without passing the MIT and continued to inject. **(Rule violation: ARM 36.22.1416(7) Mechanical Integrity).**

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

IN THE MATTER OF CONTANGO RESOURCES, INC.
FAILURE TO MEET THE REQUIREMENTS OF ARM
36.22.1010(1), 36.22.1416(8), AND 36.22.1417(1) & (2) FOR
THE EBM2 309 WELL, API # 25-009-21088.

ADMINISTRATIVE ORDER 9-A-2024

Contango Resources, Inc. (Contango) is the operator of the EBM2 309, API # 25-009-21088, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35, T9S-R23E, Carbon County, Montana.

On April 29, 2024, staff conducted a field visit to witness a mechanical integrity test (MIT). The well failed the MIT and Contango was given a verbal shut-in order and notice they had 180 days to plug or repair the well, in accordance with ARM 36.22.1416. During this visit, Contango's field operator provided staff a wellbore diagram indicating a cement retainer (CICR) was drilled out at 4,710'.

On June 14, 2024, the UIC director contacted Contango requesting documentation regarding the CICR, as Board records showed no indication of the CICR work being performed.

Contango provided staff a workover report that indicated on October 23, 2023, the packer and tubing was removed from the well and the CICR at 4710' was drilled out. When the packer was reset, the report indicated a pressure test was performed to 1,000 psi, which lost 220 psi in seven minutes. Contango proceeded to resume injection in the well.

On June 18, 2024, a certified letter was mailed to Contango informing them that the EBM2 309 well was in violation of following rules and that this matter would be brought up at the August 14, 2024, Board business meeting:

- 1) ARM 36.22.1010 (1) - No well may be reworked without first notifying the board on Form No. 2 and receiving approval. Within 30 days following completion of the well work, a subsequent report of the actual work performed must be submitted on Form No. 2.
- 2) ARM 36.22.1416 (8) – Subsequent to any mechanical integrity test, a well operation which causes the injection packer to be unseated or in which the tubing or packer was pulled, repaired, or replaced or that has experienced a loss of mechanical integrity will require that the well be retested for mechanical integrity before being placed in service.
- 3) 36.22.1417 (1) - The operator must give the board at least 48 hours advance notice of any mechanical integrity test. (2) The owner or operator must provide a subsequent report of any mechanical integrity test (MIT).

Brian Jackson, senior production engineer, appeared on behalf of Contango. Mr. Jackson acknowledged the violations and stated the violations were due to a communication breakdown within the company and that new procedures have been established within the company to prevent future violations.

Board staff recommended a penalty of \$4,000 for the violation be assessed.

IT IS THEREFORE ORDERED by the Board that Contango is fined \$4,000 for failure to meet the requirements of ARM 36.22.1010(1), 36.22.1416(8), and 36.22.1417(1)(2) for the EBM2 309 well.

Dated this 14th day of August, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator

MONTANA BOARD OF OIL AND GAS CONSERVATION
FINANCIAL STATEMENT

As of 6/30/24

Fiscal Year 2024: Percent of Year Elapsed - 100%

		Budget	Expends	%	Remaining
Regulatory	Personal Services	1,303,907	1,054,977	81	248,930
UIC	Personal Services	333,129	228,291	69	104,838
	Total	1,637,036	1,283,268	78	353,768
Regulatory	Equipment & Assets	73,800	-	-	73,800
UIC	Equipment & Assets	16,200	-	-	16,200
	Total	90,000	-	-	90,000
Regulatory	Operating Expenses:				
	Contracted Services	168,267	60,898	36	107,369
	Supplies & Materials	57,042	51,609	90	5,433
	Communication	50,495	41,285	82	9,210
	Travel	20,752	18,171	88	2,581
	Rent	1,354	953	70	401
	Utilities	23,778	14,780	62	8,998
	Repair/Maintenance	61,081	31,066	51	30,015
	Other Expenses	36,118	19,558	54	16,560
	Total Operating Expenses	418,887	238,320	57	180,567
UIC	Operating Expenses:				
	Contracted Services	36,343	6,955	19	29,388
	Supplies & Materials	12,521	10,322	82	2,199
	Communication	11,084	7,805	70	3,279
	Travel	4,555	3,053	67	1,502
	Rent	297	195	66	102
	Utilities	5,219	2,737	52	2,482
	Repair/Maintenance	13,408	5,937	44	7,471
	Other Expenses	7,929	1,100	14	6,829
	Total Operating Expenses	91,356	38,104	42	53,252
	Total	510,243	276,424	54	233,819
Regulatory	Debt Services	15,163	15,163	100	-
UIC	Debt Services	3,328	3,328	100	-
	Total	18,491	18,491	100	-

	Budget	Expends	%	Remaining
Carryforward FY22				
Personal Services	33,000	-	0	33,000
Operating Expenses	48,275	-	0	48,275
Equipment & Assests	20,000	-	0	20,000
Total	101,275	-	0	101,275

Funding Breakout	2024 Total Budget	2024 Total Expends	%
State Special	2,255,770	1,578,183	70
Federal 2024 UIC (10-1-2023 to 9-30-2024)	133,000	99,750	75
Total	2,388,770	1,677,933	70

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT

	FY 24	FY 23
Oil & Gas Production Tax	\$ 2,247,416	\$ 4,487,876
Oil Production Tax	2,141,738	4,044,880
Gas Production Tax	105,678	442,996
Drilling Permit Fees	16,250	13,225
UIC Permit Fees	235,800	238,600
Interest on Investments	354,719	178,888
Copies of Documents	323	519
Miscellaneous Reimbursements	48,483	-
TOTAL	\$ 2,902,992	\$ 4,919,108
Account Balance	\$ 10,683,700	

REVENUE INTO DAMAGE MITIGATION ACCOUNT

	FY 24	FY 23
RIT Investment Earnings:	400,935	-
July	-	-
August	39,095	-
September	26,736	-
October	33,325	-
November	33,864	-
December	28,116	-
January	40,140	-
February	34,541	-
March	35,353	-
April	28,579	-
May	37,618	-
June	63,569	-
Bond Forfeitures:	20,019	75,116
Interest on Investments	30,448	16,848
TOTAL	\$ 451,402	\$ 91,964
Account Balance	\$ 944,198	

REVENUE INTO GENERAL FUND FROM FINES

		FY 24
HAWLEY OIL LLP	9/1/2023	650
CYPRUS ENVIRONMENTAL PARTNERS LLC	9/22/2023	70
BIG SKY ENERGY LLC	9/27/2023	1,400
RELENTLESS OILFIELD INNOVATION	10/3/2023	140
COMANCHE DRILLING LLC	1/5/2024	110
JUSTICE SWD LLC	1/24/2024	60
YELLOWSTONE PETROLEUMS INC	1/31/2024	420
JUSTICE SWD LLC	2/5/2024	60
BADLANDS RESOURCE RECOVERY INC	2/20/2024	70
HAWLEY OIL LLP	3/8/2024	500
RF PARSELL PARTNERSHIP	3/29/2024	120
COMANCHE DRILLING LLC	3/29/2024	300
DIAMOND HALO GROUP LLC	3/29/2024	120
BIG SKY ENERGY LLC	4/1/2024	2,060
HAWLEY OIL LLP	4/5/2024	1,000
BLACK GOLD ENERGY INDIAN MOUND	4/5/2024	140
RELENTLESS OIL FIELD INNOVATION LLC / BADWATER DISPOSAL	4/5/2024	90
MISC OIL CO	4/24/2024	60
GLOBAL BIO CATALYTICS LTD / McOIL MONTANA ONE LLC	5/30/2024	180
HESLA OIL	6/13/2024	140
TOTAL		\$ 7,690

FEDERAL ORPHAN WELL PLUGGING CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
PLENTYWOOD PLUG AND RECLAIM WELLS	\$ 3,547,496	\$ 3,317,379	\$ 230,118	Under Contract	9/30/2025
PLENTYWOOD WEST PLUG AND RECLAIM WELLS	1,602,967	-	1,602,967	Under Contract	9/30/2025
ROUNDUP A PLUG AND RECLAIM WELL	3,579,402	3,390,240	189,162	Under Contract	9/30/2025
ROUNDUP B PLUG AND RECLAIM WELL	157,992	-	157,992	Under Contract	9/30/2025
ROUNDUP C PLUG AND RECLAIM WELLS	289,530	-	289,530	Under Contract	9/30/2025
SHELBY 2 PLUG AND RECLAIM WELLS	610,693	328,762	281,931	Under Contract	9/30/2025
SHELBY 3 PLUG AND RECLAIM WELLS	363,788	-	363,788	Under Contract	9/30/2025
SHELBY 4 PLUG AND RECLAIM WELLS	250,800	-	250,800	Under Contract	9/30/2025
SHELBY H2S PLUG AND RECLAIM WELLS	218,430	-	218,430	Under Contract	9/30/2025
SIDNEY PLUG AND RECLAIM WELLS	1,804,940	1,804,940	-	Completed	9/30/2025
GLENDIVE DISTRICT PLUG AND RECLAIM WELLS	791,250	791,250	-	Completed	9/30/2025
SHELBY 1 PLUG AND RECLAIM WELLS	676,361	607,140	69,221	Completed	9/30/2025
CBM PLUG AND RECLAIM WELLS	281,300	230,700	50,600	Completed	9/30/2025
MURRAY 1 PLUG AND RECLAIM WELL	266,620	222,183	44,437	Completed	9/30/2025
TURNER 13-22 AND TORDALE 42-21 PLUG AND RECLAIM WELLS	133,503	111,253	22,251	Completed	9/30/2025
HANNAH 5 PLUG AND RECLAIM WELL	47,113	47,113	-	Completed	9/30/2025
STATE 8-8 PLUG AND RECLAIM WELL	44,965	44,965	-	Completed	9/30/2025
TOI AG STATION RECLAMATION	26,232	26,232	-	Completed	9/30/2023
TOTAL	\$ 14,693,381	\$ 10,922,156	\$ 3,771,225		

OPERATING CONTRACTS

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Agency Legal Services 2024	\$ 70,000	\$ 26,766	\$ 43,234	Under Contract	6/30/2024
Billings Janitorial	10,555	8,750	1,805	Under Contract	9/30/2024
Billings Lawn and Snow Removal	36,000	27,446	8,554	Under Contract	9/30/2024
Shelby O&G Lease	110,946	93,996	16,950	Under Contract	5/31/2025
TOTAL	\$ 227,501	\$ 156,959	\$ 70,542		

Agency Legal Services Expenditure Breakout	
<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 17,431
Pheonix Capital	9,336
Total	\$ 26,766

**Montana Board of Oil and Gas Conservation
Summary of Bond Activity**

EXHIBIT 8

6/12/2024 Through 8/13/2024

Approved

Hereford Resources, LLC Chester MT	941 G1	Approved	7/23/2024
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	GLACIER BANK FSB	ACT
T2 Operating Corporation Denver CO	938 U1	Approved	7/23/2024
		Amount:	\$70,000.00
		Purpose:	UIC Limited Bond
Surety Bond	\$70,000.00	UNITED STATES FIRE INS. CO.	ACT
T2 Operating Corporation Denver CO	938 M1	Approved	7/23/2024
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	UNITED STATES FIRE INS. CO.	ACT

Canceled

Hofland, James D. Kevin MT	3497 L2	Canceled	7/12/2024
		Amount:	\$3,000.00
		Purpose:	Limited Bond
Thor Resources USA, LLC Calgary AB	732 G5	Canceled	7/24/2024
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Thor Resources USA, LLC Calgary AB	732 G1	Canceled	7/24/2024
		Amount:	\$10,000.00
		Purpose:	Single Well Bond

Incident Report

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Poplar Resources LLC	BOG	6/26/2024	Spill or Release	4 Barrels		Tank or Tank Battery	Yes	48.19580	-105.11352	Roosevelt	28N-51E-10 SWNE
Denbury Onshore, LLC	BOG	7/3/2024	Spill or Release	21 Gallons	1245 Barrels	Flow Line - Injection	No	45.08584	-105.11751	Powder River	9S-54E-4 SWNW
Denbury Onshore, LLC	BOG	7/10/2024	Spill or Release		100 Barrels	Pump Failure	No	46.39211	-104.24921	Fallon	7N-60E-6 SWNE
Denbury Onshore, LLC	BOG	7/10/2024	Other			Other	No	46.52002	-104.39335	Fallon	9N-58E-23 SWNW
Denbury Onshore, LLC	BOG	7/10/2024	Fire	3 Gallons		Flare Pit	Yes	46.31845	-104.09711	Fallon	7N-61E-32 SENE
Denbury Onshore, LLC	BOG	7/14/2024	Spill or Release	5 Gallons	2 Barrels	Flow Line - Production	No	46.31845	-104.09711	Fallon	7N-61E-32 SENE
Continental Resources Inc	BOG	7/27/2024	Fire	1 Barrels		Flare Pit	Yes	47.99414	-104.08801	Richland	26N-59E-22 SENW
Poplar Resources LLC	BOG	7/28/2024	Spill or Release	2 Gallons	6 Barrels	Flow Line - Production	No	48.19220	-105.11040	Roosevelt	28N-51E-10 NESE

Docket Summary

8/15/2024 Hearing

100-2024 11-2024 F	Phoenix Operating LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-5: all, 8: all, 17: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Vacate Order 85-2010 (TSU, Bkn Formation, 30N-59E-5: all, 8: all).	<i>Related applications: 100-2024, 101-2024</i>	<input type="checkbox"/>
101-2024 12-2024 F	Phoenix Operating LLC	Authorize the drilling of three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-5: all, 8: all, 17: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.	<i>Related applications: 100-2024, 101-2024</i>	<input type="checkbox"/>
102-2024 13-2024 F	Phoenix Operating LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-20: all, 29: all, 32: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Vacate Order 130-2010 (TSU, Bkn Formation, 30N-59E-29: all, 32: all).	<i>Related applications: 102-2024, 103-2024</i>	<input type="checkbox"/>
103-2024 14-2024 F	Phoenix Operating LLC	Authorize the drilling of three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-20: all, 29: all, 32: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.	<i>Related applications: 102-2024, 103-2024</i>	<input type="checkbox"/>
104-2024 15-2024 F	Phoenix Operating LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-4: all, 9: all, 16: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.	<i>Related applications: 104-2024, 105-2024</i>	<input type="checkbox"/>
105-2024 16-2024 F	Phoenix Operating LLC	Authorize the drilling of two additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 30N-59E-4: all, 9: all, 16: all, 200' heel/toe setbacks and 500' lateral setbacks.	<i>Related applications: 104-2024, 105-2024</i>	<input type="checkbox"/>
106-2024	Phoenix Operating LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 29N-57E-23: all, 26: all, 35: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion. Vacate Order 230-2010 (TSU, Bkn Formation, 29N-57E-14: all, 23: all).	<i>Related applications: 106-2024, 107-2024</i>	<input type="checkbox"/>
107-2024	Phoenix Operating LLC	Authorize the drilling of three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 29N-57E-23: all, 26: all, 35: all, 200' heel/toe setbacks and 500' lateral setbacks.	<i>Related applications: 106-2024, 107-2024</i>	<input type="checkbox"/>
108-2024	Kraken Oil & Gas LLC	Amend Order 91-2023 and 95-2022 (TSU, Bkn/TF Formation, 26N-57E-22: all, 27: all, 34: all, 200' heel/toe, 500' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Operations must commence within one year of date of order. Vacate Orders 302-2010 (TSU, Bk Formation, 26N-57E-15: all, 22: all) and 120-2011 (TSU, Bkn Formation, 26N-57E-27: all, 34: all). Amend that operations must commence by 10/13/2025.		<input type="checkbox"/>

109-2024 17-2024 F	Continental Resources Inc	Designate overlapping temporary spacing unit, Bakken/Three Forks Formation, 28N-57E-13: all, 14: all, 23: all, 24: all, 25: all, 26: all, well at a location proximate to the common boundary between 28N-57E-14, 23, 26 and 28N-57E-13, 24, 25, 200' heel/toe setbacks. Prior to spudding the requested well, applicant will spud a well in each of the TSU. Apply for permanent spacing within 90 days of completion. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well. Operations must commence within one year of date of order.	Continued	<i>Continued to October hearing, email received 8/5/24.</i>	<input type="checkbox"/>
110-2024	White Rock Oil & Gas, LLC	Authorize the drilling of three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 25N-57E-13: all, 14: all, 25N-58E-18: all, 200' heel/toe setbacks and 500' lateral setbacks.		<i>Related applications, 81-2024 & 110-2024</i>	<input type="checkbox"/>
111-2024	White Rock Oil & Gas, LLC	Authorize the drilling of three additional horizontal wells, temporary spacing unit, Bakken/Three Forks Formation, 25N-57E-23: all, 24: all, 25N-58E-19: all, 200' heel/toe setbacks and 500' lateral setbacks.		<i>Related applications, 82-2024 & 111-2024</i>	<input type="checkbox"/>
112-2024	Scout Energy Management LLC	Designate temporary spacing unit, Firemoon Formation, 33N-32E-36: NW, 990' setbacks. Apply for permanent spacing within 90 days of completion.	Withdrawn	<i>Withdrawn, email received 7/24/24.</i>	<input type="checkbox"/>
113-2024	Scout Energy Management LLC	Authorize the drilling of three additional wells, temporary spacing unit, Firemoon Formation, 32N-32E-1: all, 1,250 from existing wells, 990' setbacks.			<input type="checkbox"/>
114-2024 18-2024 F	Hell Creek Crude LLC	Vacate Order 60-1995 (TSU, Charles Fm. horizontal well; 30N-45E-21: all; 660' setback), return to statewide spacing rules.			<input type="checkbox"/>
115-2024	Board of Oil and Gas Conservation	Vacate Board Order 14-1969; termination of the Keg Coulee Tyler Unit (Tyler) Unit by the BLM letter effective August 31, 2021.			<input type="checkbox"/>
116-2024	Board of Oil and Gas Conservation	Vacate Board Order 39-1992; termination of the Rattler Butte Tyler A Unit (Tyler "A") by the BLM letter effective January 9, 2023.			<input type="checkbox"/>
117-2024	MorningStar Operating LLC	Change of operator of 299 wells from EMEP Operating, LLC to MorningStar Operating LLC.			<input type="checkbox"/>
81-2024	White Rock Oil & Gas, LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 25N-57E-13: all, 14: all, 25N-58E-18: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.		<i>Related applications, 81-2024 & 110-2024</i>	<input type="checkbox"/>
82-2024	White Rock Oil & Gas, LLC	Designate temporary spacing unit, Bakken/Three Forks Formation, 25N-57E-23: all, 24: all, 25N-58E-19: all, 200' heel/toe setbacks and 500' lateral setbacks. Apply for permanent spacing within 90 days of completion.		<i>Related applications, 82-2024 & 111-2024</i>	<input type="checkbox"/>
118-2024	Justice SWD, LLC	Show Cause: failure to file injection reports and pay administrative fees.			<input type="checkbox"/>

119-2024	Grassy Butte LLC	Show Cause: failure to file injection reports and pay administrative fees.	Dismissed	<i>The delinquent reports/fee was received. Docket administratively dismissed in accordance with policy.</i>	<input type="checkbox"/>
120-2024	Powder Battalion Holdings LLC	Show Cause: failure to file production reports and pay administrative fees.			<input type="checkbox"/>
121-2024	Summit Gas Resources, Inc.	Show Cause: failure to file production and injection reports and pay administrative fees.			<input type="checkbox"/>
122-2024	Bootstrap Oil LLC	Show Cause: why it should not be assessed additional penalties or have its plugging and reclamation bond forfeited as permitted by § 82-11-123(5), MCA for failure to begin to plug and abandon or transfer its wells located in Sheridan County, Montana, prior to the August 15, 2024, public hearing as required by Board Order 74-2024.			<input type="checkbox"/>
123-2024	Coalridge Disposal & Petroleum	Show Cause: why its injection permits for the Astrup 1 SWD well, API # 25-091-21397, and the Spoklie 2-43 well, API # 25-091-21227, should not be revoked and why it should not be required to provide a plan and timeline for the plugging of its inactive wells in Sheridan County, Montana.			<input type="checkbox"/>
124-2024	Noah Energy, Inc.	Show Cause: why additional penalties should not be imposed for failure to post a well identification sign at the Rockport 16-19-27-6HZ well and the Rockport 14-19-27-6HZ well. Noah Energy, Inc. is subject to a \$25 fine for each day after the July 11, 2024, deadline that the violation remains unresolved. Board staff has the authority to dismiss the docket if the violation is resolved and any fine assessed has been paid.	Dismissed	<i>Violations resolved and fine paid.</i>	<input type="checkbox"/>
96-2024	Montana Energy Company, LLC	Show Cause: why penalties should not be imposed for failure to remedy the field violation.			<input type="checkbox"/>

ALL APPLICATIONS, 8/15/2024

(In Order of Publication)

Docket	Applicant / Respondent	Status	Request
100-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
101-2024	Phoenix Operating LLC		Well Density
102-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
103-2024	Phoenix Operating LLC		Well Density
104-2024	Phoenix Operating LLC		Temp. Spacing
105-2024	Phoenix Operating LLC		Well Density
106-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
107-2024	Phoenix Operating LLC		Well Density
108-2024	Kraken Oil & Gas LLC		Temp. Spacing
109-2024	Continental Resources Inc	Continued	Temp. Spacing
110-2024	White Rock Oil & Gas, LLC		Well Density
111-2024	White Rock Oil & Gas, LLC		Well Density
112-2024	Scout Energy Management LLC	Withdrawn	Temp. Spacing
113-2024	Scout Energy Management LLC		Well Density
114-2024	Hell Creek Crude LLC		Vacate Order
115-2024	Board of Oil and Gas Conservation		Vacate Order
116-2024	Board of Oil and Gas Conservation		Vacate Order
117-2024	MorningStar Operating LLC		Change of Operator
23-2024	Continental Resources Inc	Continued	Temp. Spacing
81-2024	White Rock Oil & Gas, LLC		Temp. Spacing
82-2024	White Rock Oil & Gas, LLC		Temp. Spacing
118-2024	Justice SWD, LLC		Show-Cause
119-2024	Grassy Butte LLC	Dismissed	Show-Cause
120-2024	Powder Battalion Holdings LLC		Show-Cause
121-2024	Summit Gas Resources, Inc.		Show-Cause
122-2024	Bootstrap Oil LLC		Show-Cause
123-2024	Coalridge Disposal & Petroleum		Show-Cause
124-2024	Noah Energy, Inc.	Dismissed	Show-Cause
96-2024	Montana Energy Company, LLC		Show-Cause

APPLICATIONS TO HEAR. 8/15/2024

(In Order of Hearing)

Docket	Applicant	Status	Request
100-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
101-2024	Phoenix Operating LLC		Well Density
102-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
103-2024	Phoenix Operating LLC		Well Density
104-2024	Phoenix Operating LLC		Temp. Spacing
105-2024	Phoenix Operating LLC		Well Density
106-2024	Phoenix Operating LLC		Temp. Spacing; Vacate Order
107-2024	Phoenix Operating LLC		Well Density
108-2024	Kraken Oil & Gas LLC		Temp. Spacing
81-2024	White Rock Oil & Gas, LLC		Temp. Spacing
110-2024	White Rock Oil & Gas, LLC		Well Density
82-2024	White Rock Oil & Gas, LLC		Temp. Spacing
111-2024	White Rock Oil & Gas, LLC		Well Density
113-2024	Scout Energy Management LLC		Well Density
114-2024	Hell Creek Crude LLC		Vacate Order
115-2024	Board of Oil and Gas Conservation		Vacate Order
116-2024	Board of Oil and Gas Conservation		Vacate Order
117-2024	MorningStar Operating LLC		Change of Operator
118-2024	Justice SWD, LLC		Show-Cause
120-2024	Powder Battalion Holdings LLC		Show-Cause
121-2024	Summit Gas Resources, Inc.		Show-Cause
122-2024	Bootstrap Oil LLC		Show-Cause
123-2024	Coalridge Disposal & Petroleum		Show-Cause
96-2024	Montana Energy Company, LLC		Show-Cause

GAS FLARING

August 14, 2024

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Flaring Requests

Summary

There are six wells flaring over 100 MCFG per day based on current production numbers. Two of the six have approved flaring exceptions.

There are four exceptions requested at this time.

Kraken

Piano Man 7-6-31 #1H – API #25-083-23459, 25N-58E-18

1. Flaring 259 MCF/D.
2. Completed: 4/2024.
3. Estimated gas reserves: 1,196 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems from another facility downstream of this pad. This helps improve line pressure in area, providing the Piano Man pad with more capacity to sell gas into the system. Currently 540-600 MCF/D is mitigated through this project.
6. Amount of gas used in lease operations: 4 MCF/D.
7. Justification to flare: Well is connected to gas sales pipeline, but due to capacity constraints, Kraken is unable to sell all the gas and has to flare over the limit pending future enhancements and expansions planned for the near future at the ORM Western Compressor Station.

Piano Man 7-6-31 #2H – API #25-083-23460, 25N-58E-18

1. Flaring 240 MCF/D.
2. Completed: 4/2024.
3. Estimated gas reserves: 1,196 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems from another facility downstream of this pad. This helps improve line pressure in area, providing the Piano Man pad with more capacity to sell gas into the system. Currently 540-600 MCF/D is mitigated through this project.
6. Amount of gas used in lease operations: 4 MCF/D.
7. Justification to flare: Well is connected to gas sales pipeline, but due to capacity constraints, Kraken is unable to sell all the gas and has to flare over the limit pending future enhancements and expansions planned for the near future at the ORM Western Compressor Station.

Piano Man 7-6-31 #3H – API #25-083-23461, 25N-58E-18

1. Flaring 231 MCF/D.
2. Completed: 4/2024.
3. Estimated gas reserves: 1,196 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems from another facility downstream of this pad. This helps improve line pressure in area, providing the Piano Man pad with more capacity to sell gas into the system. Currently 540-600 MCF/D is mitigated through this project.
6. Amount of gas used in lease operations: 4 MCF/D.
7. Justification to flare: Well is connected to gas sales pipeline, but due to capacity constraints, Kraken is unable to sell all the gas and has to flare over the limit pending future enhancements and expansions planned for the near future at the ORM Western Compressor Station.

Piano Man 7-6-31 #4H – API #25-083-23462, 25N-58E-18

1. Flaring 204 MCF/D.
2. Completed: 4/2024.
3. Estimated gas reserves: 1,196 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems from another facility downstream of this pad. This helps improve line pressure in area, providing the Piano Man pad with more capacity to sell gas into the system. Currently 540-600 MCF/D is mitigated through this project.
6. Amount of gas used in lease operations: 4 MCF/D.
7. Justification to flare: Well is connected to gas sales pipeline, but due to capacity constraints, Kraken is unable to sell all the gas and has to flare over the limit pending future enhancements and expansions planned for the near future at the ORM Western Compressor Station.

Inactive Wells 8/14/2024 Current Actions

EXHIBIT 12

Company Name	Total Wells SI	Status	Wells Intended for plugging 2024	Actions	Recommendations
Omimex	23	0 Producing	10	8 Wells plugged. Plan to plug remainder of wells in 2024.	On track to complete plugging
Genesis ST Operating LLC	14	2/16 Producing	2	2 wells plugged.	On track to complete plugging.
Reserve Operating	1	0 Producing	1	Response received via email with P&A plan. Approved P&A plan on 3/15/2024.	
Big Snowy Resources	7	0 Producing	0	1 intent to plug back and convert to water well, 1 intent to plug back and test zone. Ricky 14-1 location has been cleaned up.	Send Inactive Letter August
T.W.O. Operating (Taylor Well Operating)	11	2/13 Producing	0	2nd Inactive Letter sent 1/3/2024. Voicemail received from operator January 2024 with update. Email sent to operator for update in writing on 2/6/2024. Operator working to divest with local Hutterite Colony.	Operator left voicemail stating that they are looking to divest wells to Colony in area. Board Administrative Order.
Pinnacle Ranch	1	0 Producing	0	Phone call on 2/8/2024 with operator with potential to turn well into disposal.	Monitor into 2025.
Synergy Offshore, LLC	2	0 Producing	0	Operator evaluating CO2 production from the gas wells for EOR project in JOA with New Horizon.	Monitor into 2025.
Pearson, Gabriel	1	0 Producing	0	Power of Attorney is working on plugging plans. Response e-mail received 7/29/2024.	Email 7/29/2024.
Noah Energy, Inc.	5	1/4 Producing 0/1 Injecting	0	Email sent on 8/22/2023. Response received 9/27/2023. Compliance Issues referenced to Billings Office for well identification signs FIXED.	Contact with Investor looking to take over wells per inactivity of Noah Energy.
Coalridge Disposal and Petroleum, Inc	3	0/1 Producing 0/2 Injecting	0	Contact made with operator. Operator indicated bankruptcy. Operator is currently under showcause for UIC violation at tomorrows hearing.	Bonds: T1 \$7,000 in 1998; T2 \$7,000, B1 \$10,000. Monitor situation.
Walter S Fees, Jr. & Son Oil and Gas LLC	2	0 Producing	0	Sundry notice received to plug and abandon wells.	2 Bonds at \$1,500. Second letter sent 6/3/2024. Return Receipt received on 6/10/2024.
R & A Oil	13	1/14 Producing 0/1 Injecting	0	Letter Received July 1, 2024 from operator with tax information.	2nd letter sent 6/4/2024 response received 7/1/2024.

Total Wells August 2024 Meeting

83

13

15.7% of inactive wells from list to be plugged in 2024 by operators.

10

12.0% currently plugged by operator.

Total Wells June 2024 Meeting

83

SUMMARY PAGE

Review of Taylor Well Operating Inactive wells

Taylor Well Operating inactive well review came under board review with 85% wells shut in on 1/9/2023. 2 producing oil wells, 11 shut in gas wells.

Timeline of events:

- 1/9/2023 Certified Letter sent for plans and timeline to come into compliance with ARM 36.22.1303 (1).
- 1/13/2023 Return receipt received by BOGC staff for certified mail sent 1/9/2023.
- 1/24/2023 Phone call from operator indicating issues for services on Plugging wells.
- 11/27/2023 Email response from operator on shut in well review.
 - Services being main issue.
- 11/27/2023 Email to operator by BOGC staff asking if they have contacted other service companies in the area and across the state.
- 11/27/2023 Email response from operator stating they haven't contacted service companies and relying on Stenger Well Services.
- 11/27/2023 Email to operator by BOGC Staff stating what bond forfeiture means and that indications of plans are misleading to staff, and that plan and timeline are do.
- 11/28/2023 Email by operator stating they are trying to get these plugged.
- 1/2/2024 2nd Certified Letter sent for plans and timeline to come into compliance with ARM 36.22.1303 (1).
- 1/16/2024 Return receipt received by BOGC staff for certified mail sent 1/2/2024.
- 2/5/2024 Voicemail from operator left stating looking to divest wells to colony.
- 2/6/2024 Email sent to operator stating "please send me an email with an outline of what" Taylor Well Operating plans to do for the shut in wells.
- No Response or updates since from email sent 2/6/2024.

Operators under Show Cause 2024

CoName	Total Wells SI		Actions	
Midway Energy, LLC	11	4/15 wells producing or injecting	Plug 3 wells through 2024.	Show Cause per Order 7-A-2023 Continued to December 2024 Hearing.
Yellowstone Petroleum Inc	14	9/38 producing	No Action by Operator on wells.	See attached Email for update. Update to be given at October 9th, 2024 business meeting per Order 48-2024.

Davis, Ben

From: Charles Locke <charlesblocke@aol.com>
Sent: Sunday, July 14, 2024 12:23 PM
To: Mary-Jo Hunt; Davis, Ben
Subject: [EXTERNAL] Fwd: Production Reporting
Attachments: 2024.06.10Yellowstone.pdf; 2024_048.pdf

Ben and Mary Jo; Mary Jo: see above. (and below) for an update.

George, Blumberg, Thumb leases: Rice Rice has one George well pumping but the two other george wells , the Blumberg, and the Thumb wells cannot be started as there is an eagle nest on top of the Tank Battery. The mother eagle “dive bombs” anybody who comes near the battery which serves the above wells and this terrifies our pumper, as it would me.

State wells: Four of the State wells are pumping. The line from the battery to the Water disposal well is still plugged, so we are bring in a pressure pump to try to blow it clear.

Denzer Wells; And Mrs Denzer will not allow us onto the land, owned by the State to access the 16-13 well. The other two Denzer wells are in the middle of a grain field, also presumably farmed by the Denzer’s and we do not have enough nerve to “ go against the grain” so to speak.

Essex wells: Two of the wells we should abandon are just north of the Essex Cobb wells , the Essex Thompson wells. As both the productive Essex Cobb wells need rig work, and Stenger Well Service wishes to purchase this lease , I will ask them to abandon these two as part payment for the rig work needed on the Essex Cobb wells.

Sent from my iPhone

Begin forwarded message:

From: "Davis, Ben" <Benjamin.Davis@mt.gov>
Date: July 11, 2024 at 1:54:41 PM MDT
To: Charlie Locke <Charlesblocke@aol.com>, maryjo.ypi@gmail.com
Subject: **Production Reporting**

Good afternoon, Charlie,

The Attached letter was sent on 6/11/2024 by Fed Ex. We received an email on 6/11/2024 with state wells production reporting up to March 2024.

Deliver Tracking by Fed Ex had delivery date of 6/13/2024.

Due to reporting received on 6/11/2024 the same day the letter was sent we will dismiss this violation.

However, Yellowstone Petroleums Inc needs to become compliant by bringing reporting up to date per ARM 36.22.1242. We are getting close to the violation date again.

We are also going to request per this email on plugging plans for the two wells Yellowstone plans to plug this year per Order 48-2024.

Operators responded with Updates as of 8/14/2024		
CoName	Total_Wells	Last_Inj-Prod
Beartooth Energy, LLC	1/4 wells to remove from bond after inspection of location	
Hofland, James D.	3	1 well 12/23
Cypress Energy Partners - Sheridan SWD, LLC	1	7/31/2013

Operator plugged 1 Federal Well and 1 Fee Well. Mowell 1 well need inspection before released from bond. Change of Operator has been submitted for the two George wells to Clays Consulting, Inc who has history of returning wells to production.

Response received on 4/17/2024. Pottlatch 1 and 2 wells transferred to Hornestake Oil & Gas Co on 5/8/2024. After transfer there are 3 wells on Hofland, James D. bonds. Hofland 3 Bonds at \$1500 and 1 Bond at \$3000.

Compliance issues remain. New operator has not submitted bond. Inspection 12/4/2023 still found issues with pit. No Updates from Operator nor Transferee.

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

IN THE MATTER OF T.W.O. (TAYLOR WELL OPERATING)
INACTIVE WELLS IN LIBERTY AND TOOLE COUNTIES,
MONTANA.

ADMINISTRATIVE ORDER 10-A-2024

T.W.O. (Taylor Well Operating) (T.W.O.) is the bonded operator of 13 producing wells in Liberty and Toole Counties, Montana.

On January 9, 2023, a certified letter was mailed to T.W.O. requesting a plan and schedule of abandonment for the inactive wells or justification with supporting documentation for leaving the inactive wells unplugged. This request was made in accordance with ARM 36.22.1307. T.W.O. responded that it has had issues obtaining well plugging services. Staff provided T.W.O. additional time.

On January 2, 2024, a follow up letter was sent. T.W.O. responded that it is working on transferring some wells to a local colony.

On February 6, 2024, a follow up email was sent to T.W.O. requesting an outline of the plan for the wells. No response was received.

IT IS THEREFORE ORDERED by the Board that T.W.O. must submit its plans and timeline for its inactive wells by September 5, 2024, hearing application deadline or show cause at the October 10, 2024, public hearing, as to why it should not immediately plug and abandon its inactive wells in Liberty and Toole Counties, Montana.

Dated this 14th day of August, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator

SUMMARY PAGE

Board Business Meeting August 14, 2024

D&A WATER DISPOSAL LLC – FALLON COUNTY, MONTANA

Field and UIC Violation at: BN 12-11 SWD
Monarch Field
T9N-R58E-11 SW NW

Inactive Oil Well at: BN 11-11
Monarch Field
T9N-R58E-11 NW NW

- 09/27/2022: 5-year MIT due.
- 04/09/2024: Telephone call with Don Wyrick w/ D&A informing him of overdue MIT and to schedule MIT with state inspector to witness.
- 05/09/2024: Inspection found a tank leak at the tank battery up the hill from the injection well.
- 05/30/2024: Follow up inspection found the field issue had not been resolved.
- 05/30/2024: Telephone call with Don Wyrick w/ D&A informing him of field compliance issue and reminding him of the overdue MIT.
- 06/20/2024: Certified letter sent to Don Wyrick with an August 13, 2024, deadline to have well MIT'd and field issue resolved, or the issues would be discussed with the Board at the August 14, 2024, business meeting.
- 6/21/204: Follow up inspection found the field issue had not been resolved and the well had still not bee MIT'd.
- 8/13/2024: Inspection confirmed field compliance issue remains and the well has not been MIT'd.



Shut-In Wells by Operator

8/13/2024

4:24:11 PM

825	A		Wells	SI	%
D&A Water Disposal LLC			/ Well	2	2 100%

T1	UIC Single Well Bond	\$15,000	\$15,000.00	1	1	100%
G1	Single Well Bond	\$10,000	\$10,000.00	1	1	100%

SI Two to Five Years	SI Five to Ten Years	SI Greater than Ten Years	Total
1	0	1	2

825/G1	Single Well Bond		<i>Last Non-Zero</i>
825 G1	025-21273 BN 11-11	9N-58E-11 NW NW 555 FNL, 555 FWL	SI OIL 6/30/2013
825/T1	UIC Single Well Bond		<i>Last Non-Zero</i>
825 T1	025-21021 BN 12-11	9N-58E-11 SW NW 1980 FNL, 770 FWL	IA SWD 9/30/2021

1 Operator(s) Included in Report

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

IN THE MATTER OF D&A WATER DISPOSAL LLC AND
ITS FAILURE TO MAINTAIN MECHANICAL INTEGRITY
AND FAILURE TO PROPERLY MAINTAIN THE WELLSITE
ON THE BN 12-11 WELL (API # 25-025-21021).

ADMINISTRATIVE ORDER 11-A-2024

D&A Water Disposal LLC (D&A) is the operator of the BN 12-11 saltwater disposal well, API # 25-025-21021, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, T9N-R58E and the inactive BN 11-11 oil well, API 25-025-21273, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, T9N-R58E, Fallon County, Montana.

On April 9, 2024, staff contacted Don Wyrick with D&A via telephone informing him that D&A had not demonstrated the mechanical integrity at the BN 12-11 well and to address the issue immediately.

On May 9, 2024, a field inspector discovered a leaking tank with contaminated soil around the tank battery. The MIT had not been performed on the BN 12-11 well.

On May 30, 2024, the field issues remained. Staff contacted Don Wyrick with D&A via telephone informing him of the overdue mechanical integrity test (MIT), leaking tank, and contaminated soil.

On June 20, 2024, a certified letter was sent to D&A with an August 13, 2024, deadline to address the compliance issue, or this matter would be brought up at the Board business meeting. No response was received.

As of August 14th, the compliance issue remains outstanding.

IT IS THEREFORE ORDERED by the Board that failure to come into compliance by the September 5, 2024, hearing application deadline will result in D&A being ordered to show cause at the October 10, 2024, public hearing, as to why additional penalties should not be imposed for failure to remedy the field violations.

IT IS FURTHER ORDERED that Board staff has authority to dismiss the docket if the violations are resolved prior to the October 10, 2024, public hearing.

Dated this 14th day of August, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator

SUMMARY PAGE

Permitting Activity:

New Locations Vertical Wells:

- 2 Permits issued
 - Hereford Resources, LLC in Rosebud County
 - Brainstorm Energy, Inc in Toole County

New Locations Horizontal:

- 14 New locations in Richland and Roosevelt Counties.
 - Kraken Operating, LLC
 - Grayson Mill Operating LLC

Re-Issued

- 2 Horizontal wells in Richland County
 - EMEP Operating LLC

Pending APDs

- 11 total Horizontal Well APDs
 - Kraken Operating, LLC
 - Continental Resources, Inc
 - Phoenix Operating, LLC
- 2 Vertical well APDs
 - Hereford Resources, LLC
 - Briscoe Petroleum, LLC

MONTANA DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

2535 St. Johns Avenue, Billings, MT 59102 (406) 656-0040

ACTIVITIES:

6/16/2024 To 8/14/2024

New Locations:

Rosebud Wildcat 087-21751
Hereford Resources, LLC Clink 1
SHL: NE SE 2-9N-35E (1958 FSL/1304 FEL) EL 3069' GR 32964
Proposed Depth: 8000' (Amsden)
Approved: 08/05/2024

Toole Kevin-Sunburst 101-24688
Brainstorm Energy, Inc. Goeddertz 13X
SHL: SE SW 23-35N-3W (618 FSL/2417 FWL) EL 3398' GR 32963
PBHL: 1850' SE SW 23-35N-3W (618 FSL/2417 FWL) Madison
Proposed Depth: 1850' (Madison)
Approved: 07/24/2024

New Locations - Horizontal Wells:

Richland Wildcat 083-23478
Kraken Operating, LLC Nate 6-7-18-19 1H
SHL: NW SE 6-24N-59E (595 FNL/2036 FEL) EL 2165' GR 32947
PBHL: 28130' SW SW 19-24N-59E (205 FSL/550 FWL) Bakken
Approved: 06/26/2024

Richland Wildcat 083-23479
Kraken Operating, LLC Nate 6-7-18-19 2H
SHL: NW SE 6-24N-59E (595 FNL/2003 FEL) EL 2165' GR 32948
PBHL: 27928' SE SW 19-24N-59E (205 FSL/1850 FWL) Bakken
Approved: 06/26/2024

Richland Wildcat 083-23480
Kraken Operating, LLC Nate 6-7-18-19 3H
SHL: NW SE 6-24N-59E (595 FNL/1970 FEL) EL 2165' GR 32949
PBHL: 27840' SW SE 19-24N-59E (205 FSL/1850 FEL) Bakken
Approved: 06/26/2024

ACTIVITIES:

6/16/2024 To 8/14/2024

New Locations - Horizontal Wells:

Richland Wildcat 083-23481
Kraken Operating, LLC Nate 6-7-18-19 4H
SHL: NW SE 6-24N-59E (595 FNL/1937 FEL) EL 2165' GR 32950
PBHL: 27969' SE SE 19-24N-59E (205 FSL/550 FEL) Bakken
Approved: 06/26/2024

Richland Wildcat 083-23482
Kraken Operating, LLC TCB 11-2-35 1H
SHL: NE NE 14-26N-57E (834 FNL/869 FEL) EL 2002' GR 32959
PBHL: 25692' NW NW 35-27N-57E (1225 FNL/552 FWL) Bakken
Approved: 07/15/2024

Richland Wildcat 083-23483
Kraken Operating, LLC TCB 11-2-35 2H
SHL: NE NE 14-26N-57E (836 FNL/836 FEL) EL 2002' GR 32960
PBHL: 25377' NE NW 35-27N-57E (1213 FNL/1808 FWL) Bakken
Approved: 07/15/2024

Richland Wildcat 083-23484
Kraken Operating, LLC TCB 11-2-35 3H
SHL: NE NE 14-26N-57E (838 FNL/803 FEL) EL 2002' GR 32961
PBHL: 25200' NW NE 35-27N-57E (983 FNL/1835 FEL) Bakken
Approved: 07/15/2024

Richland Wildcat 083-23485
Kraken Operating, LLC TCB 11-2-35 4H
SHL: NE NE 14-26N-57E (840 FNL/770 FEL) EL 2002' GR 32962
PBHL: 25140' NE NE 35-27N-57E (971 FNL/575 FEL) Bakken
Approved: 07/15/2024

Roosevelt Wildcat 085-22058
Grayson Mill Operating, LLC Challenger 23-35F 1H
SHL: NW NW 23-28N-59E (532 FNL/1064 FWL) EL 2201' GR 32951
PBHL: 26141' SW SW 35-28N-59E (200 FSL/600 FWL) Bakken
Approved: 06/26/2024

Roosevelt Wildcat 085-22059
Grayson Mill Operating, LLC Challenger 23-35F 2H
SHL: NW NW 23-28N-59E (532 FNL/1094 FWL) EL 2201' GR 32952
PBHL: 26153' SE SW 35-28N-59E (200 FSL/1740 FWL) Bakken
Approved: 07/01/2024

ACTIVITIES:

6/16/2024 To 8/14/2024

New Locations - Horizontal Wells:

Roosevelt Wildcat 085-22060
Grayson Mill Operating, LLC Challenger 23-35F 3H
SHL: NW NW 23-28N-59E (532 FNL/1124 FWL) EL 2201' GR 32953
PBHL: 25457' SW SE 35-28N-59E (200 FSL/2400 FEL) Bakken
Approved: 07/01/2024

Roosevelt Wildcat 085-22061
Grayson Mill Operating, LLC Challenger 23-35F 4H
SHL: NE NE 23-28N-59E (543 FNL/796 FEL) EL 2137' GR 32954
PBHL: 26137' SE SE 35-28N-59E (200 FSL/1270 FEL) Bakken
Approved: 07/02/2024

Roosevelt Wildcat 085-22062
Grayson Mill Operating, LLC Challenger 23-35F 5H
SHL: NE NE 23-28N-59E (543 FNL/766 FEL) EL 2137' GR 32955
PBHL: 26171' SE SE 35-28N-59E (200 FSL/140 FEL) Bakken
Approved: 07/02/2024

Roosevelt Wildcat 085-22063
Grayson Mill Operating, LLC Challenger 24-36F 6H
SHL: NE NE 23-28N-59E (543 FNL/736 FEL) EL 2137' GR 32956
PBHL: 25456' SW SW 36-28N-59E (200 FSL/550 FEL) Bakken
Approved: 07/02/2024

Re-Issued Locations:

Richland Wildcat 083-22871
EMEP Operating, LLC Poriky-Harold 9-13-HSU
SHL: SW SW 9-24N-54E (275 FSL/400 FWL) EL 2425' GR 32957
PBHL: 15925' NE 5-24N-54E (671 FNL/1001 FEL) Bakken
Approved: 07/12/2024

Richland Wildcat 083-22886
EMEP Operating, LLC Stockade-Calesto 33-3-HSU
SHL: NE NW 33-25N-54E (383 FNL/1863 FWL) EL 2325' GR 32958
PBHL: 16073' SE SE 2-24N-54E (670 FSL/670 FEL) Bakken
Approved: 07/12/2024

Goeddertz 21 well API 25-101-10187 Section 23 T35N R3W SENW

