

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

IN THE MATTER OF MONTANA ENERGY COMPANY,
LLC FOR FAILURE TO PROPERLY MAINTAIN ITS
EMERGENCY PITS IN MUSSELSHELL COUNTY,
MONTANA.

ADMINISTRATIVE ORDER 15-A-2024

Montana Energy Company, LLC (MEC) is the bonded operator of the 64 producing wells and 21 injection wells in Musselshell, Rosebud, Stillwater, and Sweetgrass Counties, Montana.

An inspection performed on October 7, 2024, found that the berm on the emergency pit associated with the Moffett D618 well, API # 25-065-05185, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, T10N-R27E, Musselshell County, Montana, was breached and discharging produced water. The required netting on the upper portion of that pit that contained oil was found to be in disrepair. It was found that the emergency pit associated with the BWLTSU C519 well, API # 25-065-05128, located in NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, T10N-R27E, Musselshell County, Montana also had the required netting in disrepair. The rule violations include:

- ARM 36.22.1207 - oil, water, and contaminants must be removed from the emergency, recompletion or workover pit within 48 hours.
- ARM 36.22.1223 (1) - open storage vessels, earthen pits, or ponds that contain oil must be fenced, screened, and netted.
- ARM 36.22.1227 (2)(e) - pit must be bermed or diked and have at least three feet of freeboard at all times between the surface of the water and the top of the banks, berms, or dikes of the pit or pond and (f) be fenced, screened, and netted in accordance with ARM 36.22.1223.

The operator was informed of the violations on October 7, 2024, and instructed to promptly remedy the violations. An inspection performed prior to this meeting indicated that the issues remain.

IT IS THEREFORE ORDERED by the Board that MEC must repair nets and have adequate freeboard on the emergency pits for the Moffett D618 and the BWLTSU C519 wells by January 16, 2025.

IT IS FURTHER ORDERED that MEC must appear and show cause at the February 20, 2025, public hearing, as to why penalties, which could include its production being declared illegal in accordance with ARM 36.22.1245, should not be imposed for failure to promptly remedy the compliance issues above and to provide a plan for removing the remaining fluids from the emergency pits.

Dated this 4th day of December, 2024

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator