

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
MINUTES OF THE MEETING AND PUBLIC HEARING
February 19 & 20, 2025

CALL TO ORDER

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Steven Durrett at 2:00 p.m., Wednesday, February 19, 2025, at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Steven Durrett, Mac McDermott, Barbara Skelton, John Tietz, Corey Welter, and Jeff Wivholm. Board member was Roy Brown absent. Staff present was Ben Jones, Ben Davis, John Gizicki, Terisa Oomens, Jennifer Breton, and Scot Bloomfield.

BOARD APPOINTMENTS

Chairman Durrett welcomed new appointee Barbara Skelton to the Board.

PUBLIC COMMENT ON AGENDA AND NON-AGENDA ITEMS

Mr. Pat Mullaney informed the Board that the certified letter he wrote to Montana Energy Company, LLC (MEC) regarding the validity of his lease covering the Nordahl 2-11 was returned to sender.

Staff informed Mr. Mullaney that MEC is planning to attend the hearing tomorrow for a compliance related docket.

Edward Barta with Northern Plains Resource Council (NPRC) along with Liz Barbour and Jack Owen, ranchers in Carter County Montana, stated their concerns regarding a proposed carbon sequestration in Carter County and presented Exhibit 1. One of Liz and Jack's concerns was the lack of public participation regarding the BLM's Plan of Development for the project.

Staff noted that the EPA currently has authority over the underground injection of carbon dioxide for storage, which is classified as a Class VI fluid under the Underground Injection Control Program. The Board has legislative authority to seek primacy for regulating Class VI fluids from the EPA but is in the early stages of applying for primacy. Applying for primacy is a multi-year process, and during that time, there will be many opportunities for stakeholder input.

The Board's only regulatory authority related to the current project proposed in Carter County would be to issue a permit to drill (APD) a stratigraphic test well that is needed to collect data for any future injection permits. Any APD filed in Carter County for a stratigraphic test well would have to be noticed under 36.22.601, ARM, and would include a 10-day protest window. The Board has not received an APD yet from the operator proposing the project.

There were also concerns for private pore space rights within the BLM's project area. If the Board receives primacy from the EPA, statutes will take effect, allowing the Board to unitize the pore space within the project area to ensure the rights of the pore space owners are protected.

There was a concern for wildlife, especially sage grouse. Mr. Davis noted that any permit would have a sage grouse stipulation, and the operator will work with the Sage Grouse Program.

Mr. Jones noted that the Board received a federal grant to be used toward applying for Class VI primacy from the EPA. It is unknown at this time how the federal funding freeze may effect that grant.

Mr. Jones reviewed Senator Gillespie's letter regarding his request for rulemaking to require fencing around pits containing produced water to prevent potential environmental and safety hazards, attached as Exhibit 2. The current rule only requires open receptacles, earthen pits, or ponds that contain produced water with more than 15,000 parts per million total dissolved solids to be fenced.

Mr. Jones recommended a review and discussion of ARM 36.22.1223 – fencing, screening, and netting of pits be placed on the agenda for the April business meeting. This way, surface owners, mineral owners, and operators can attend and participate in the discussion.

Motion: Mr. McDermott made the motion to approve the recommendation. Mr. Welter seconded, and the motion passed unanimously.

If the Board decides to require fencing around pits containing produced water, rulemaking will be required to revise the rule.

APPROVAL OF MINUTES

A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the minutes of the December 4, 2024, business meeting.

REVIEW OF HB OIL, LLC REDUCTION IN PLUGGING LIABILITY

Mr. Jones provided an update on HB Oil, LLC (HB), attached as Exhibit 3. Since the last business meeting update, there has been no additional progress on reactivating wells due to weather and contractor issues. In an email, HB has been in contact with a local oil company who is interested in purchasing the wells. HB is trying to make a deal, otherwise he will continue his progress of reactivating the wells as soon as weather allows.

Mr. Jones provided two recommendations for the Board to consider: 1) staff to continue to monitor HB or 2) HB provide an update at the June business meeting. The Board agreed HB is doing the best it can and requested staff to continue to monitor HB's progress.

FINANCIAL REPORT

Mrs. Breton discussed the financial statement, attached as Exhibit 4.

BOND SUMMARY & INCIDENT REPORT

Mr. Jones presented the bond report and the incident report, attached as Exhibit 5 & 6.

DOCKET SUMMARY

Mr. Jones presented the docket summary, attached as Exhibit 7.

GAS FLARING EXCEPTIONS

Mr. Jones discussed the gas flaring report, attached as Exhibit 8. There are two Prima Exploration, Inc. (Prima) wells flaring in excess of 100 MCFG/day with an exception request. The wells are contracted to be connected to a gas pipeline, but due to delays on OneOk's end the wells haven't been connected. Mr. Jones recommended a six-month exception for Prima.

Motion: Mr. Welter made the motion to approve the recommendation. Mr. McDermott seconded, and the motion passed unanimously.

Mr. Jones noted that over the last few months OneOK has had planned outages and capacity constraints, so there has been additional wells flaring during those outages.

INACTIVE WELL REVIEW

Mr. Davis reviewed a list of inactive well operators and their current statuses, attached as Exhibit 9.

Mr. Davis recommended XOIL Inc. (XOIL) be required to begin reclamation on its Simard 26-16 and Richardson-Hoven 1-11 wells prior to by the May 8, 2025, hearing application deadline. Following the May 8, 2025, deadline, if no reclamation work has begun, a penalty of \$250 per day be assessed until the above-mentioned work has commenced. XOIL is to appear at the June 12, 2025, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to restore the well locations.

Motion: Mr. Welter made the motion to approve the recommendation. Mr. Tietz seconded, and the motion passed unanimously. The Board issued Administrative Order 1-A-2025, attached as Exhibit 10.

Mr. Davis stated that he will provide a 2024 inactive well plugging report at the April business meeting.

ORPHAN WELL AND FEDERAL GRANT UPDATE

Due to the federal freeze, the funds are not currently available to plug the remaining 55 wells. Staff believes this is only temporary and has requested the remaining plugging contractors contact staff prior to commencing any further work.

There is a new contract for the six Plentywood West wells, and its cost is lower than the original contract.

At the December meeting, the Board authorized staff to expend funds from the damage mitigation account to plug three wells that were recently orphaned by Bootstrap Oil LLC. Mr. Jones has put together a Request for Proposal for these wells and it is currently being reviewed by the procurement office in Helena. With the damage mitigation account balance over \$1.1 million, if this contract is signed before fiscal year end, the Board should still get the RITT deposit on 7/1/25.

The federal freeze also may affect the \$1.93 million grant for Class VI UIC Primacy. Staff will continue to monitor this grant freeze.

STAFF REPORTS

Ben Jones

Mr. Jones provided a legislative update and discussed oil and gas related bills:

Mr. Jones presented the Board's budget to the section C sub-committee a few weeks ago. BOGC has one request for appropriations that include field inspector's overtime and Board member per diem. Executive action took place this morning and the budget was approved out of the sub-committee and will move on to House Appropriations.

There have been several MEPA bills introduced and its unknown at this time of how it will affect us. If one of the bills is passed, DEQ will need do rulemaking and will have to provide guidance to divisions about greenhouse gas emissions. BOGC will be involved in the process to see how it will tie to its MEPA process.

HB 481 proposes the Board to post EPA guidance documents on the Board's website. There were only three departments in the bill with this request to add EPA guidance documents to the website. There will be a hearing tomorrow afternoon.

SB 339 proposes to allow excess funding from the privilege and license tax to go into the Board's damage mitigation account to plug orphan wells. There is no reduction to the amount cities and counties receive and there is no impact to industry. Oil and gas producers will continue to pay 0.30%. Staff recently wrapped up the fiscal note on this bill with no fiscal impact. This bill has been referred to the senate taxation committee. If the bill passes, rulemaking will be required to reduce the privilege and license tax rate to take advantage of any excess funds going to the damage mitigation account.

Up until 2014, the Board sponsored a petroleum resources workshop that provides teachers an overview of the oil and gas exploration and production industry. For the last couple of years, Hess Corporation has sponsored the event. This year, a second workshop is going to be held in Savage, Montana and they are looking for approximately \$35,000 in sponsorships to hold the workshop. Kraken is planning on sponsoring \$25,000 and Cross Petroleum is planning on sponsoring \$2,000. Mr. Jones requested the Board sponsor the remaining \$8,000 and provide up to \$15,000 if the budget exceeds expectations. One of the Board's statutory responsibilities under 82-11-111(7), MCA, is to support research and educational activities concerning the oil and natural gas exploration and production industry.

Motion: Mr. McDermott made the motion to approve the recommendation to sponsor the workshop up to \$15,000. Mrs. Skelton seconded, and the motion passed unanimously.

Ben Davis

Mr. Davis provided the Board an update on well activity, attached as Exhibit 11.

OTHER BUSINESS

No other business discussed.

PUBLIC HEARING

The Board reconvened on Thursday, February 20, 2025, at 9:00 a.m. at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana, to hear the matters docketed for public hearing. As a result of the discussion, testimony, technical data, and other evidence placed before the Board, the following action was taken in each matter.

Docket 1-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 1-2025.

Docket 2-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 2-2025.

Docket 3-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 3-2025.

Docket 4-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 4-2025.

Docket 5-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 5-2025.

Docket 6-2025 – A motion was made by Mr. Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 6-2025.

Docket 7-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 7-2025.

Docket 8-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 8-2025.

Docket 9-2025 – A motion was made by Mr. Welter, seconded by Mr. Tietz and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 9-2025.

Docket 10-2025 – A motion was made by Mr. Welter, seconded by Mr. Tietz and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 10-2025.

Docket 11-2025 – A motion was made by Mr. Welter, seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 11-2025.

Docket 12-2025 – A motion was made by Mr. Welter, seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 12-2025.

Docket 13-2025 – A motion was made by Mr. Wivholm, seconded by Mrs. Skelton and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 13-2025.

Docket 14-2025 – A motion was made by Mr. Wivholm, seconded by Mrs. Skelton and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 14-2025.

Docket 15-2025 – The application of Heritage Energy Operating, LLC was continued to the April 2025 hearing.

Docket 16-2025– The application of MorningStar Operating LLC was continued to the April 2025 hearing.

Docket 17-2025 — Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of White Rock Oil & Gas, LLC was approved as set forth in Board Order 19-2025.

Docket 18-2025 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of MorningStar Operating LLC was approved as set forth in Board Order 20-2025.

Docket 19-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Phoenix Operating LLC as set forth in Board Order 43-2025.

Docket 20-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Phoenix Operating LLC as set forth in Board Order 44-2025.

Docket 21-2025 – The application of Phoenix Operating LLC was withdrawn.

Docket 22-2025 – The application of Phoenix Operating LLC was withdrawn.

Docket 23-2025 – A motion was made by Mr. Welter, seconded by Mrs. Skelton and unanimously passed, to approve the application of MorningStar Operating LLC as set forth in Board Order 45-2025.

Docket 24-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the application of MorningStar Operating LLC as set forth in Board Order 46-2025.

Docket 25-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 26-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 27-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 28-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 29-2025 / 4-2025 FED – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 30-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 31-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 32-2025 – The application of Black Dog Operating, LLC was continued to the April 2025 hearing.

Docket 33 -2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Heritage Energy Operating, LLC as set forth in Board Order 47-2025.

Docket 34 -2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Heritage Energy Operating, LLC as set forth in Board Order 48-2025.

Docket 35 -2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, to approve the application of Heritage Energy Operating, LLC as set forth in Board Order 49-2025.

Docket 36 -2025 – The application of Continental Resources Inc was continued to the April 2025 hearing.

Docket 37 -2025 – The application of Continental Resources Inc was continued to the April 2025 hearing.

Docket 38 -2025 – The application of Continental Resources Inc was continued to the April 2025 hearing.

Docket 39-2025 – A motion was made by Mr. Welter, seconded by Mr. Tietz and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 56-2025.

Docket 40-2025 – A motion was made by Mr. Welter, seconded by Mrs. Skelton and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 57-2025.

Docket 41-2025 – A motion was made by Mr. Welter, seconded by Mrs. Skelton and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 58-2025.

Docket 42-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 59-2025.

Docket 43-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 60-2025.

Docket 44-2025 – A motion was made by Mr. Welter, seconded by Mrs. Skelton and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 61-2025.

Docket 45-2025 – A motion was made by Mr. Tietz, seconded by Mr. McDermott and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 62-2025.

Docket 46-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 63-2025.

Docket 47-2025 – A motion was made by Mr. Tietz, seconded by Mr. McDermott and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 64-2025.

Docket 48-2025 – A motion was made by Mr. Tietz, seconded by Mr. McDermott and unanimously passed, to approve the application of White Rock Oil & Gas, LLC as set forth in Board Order 65-2025.

Docket 49-2025 – The application of Heritage Energy Operating, LLC was continued to the April 2025 hearing.

Docket 50-2025 – The application of Heritage Energy Operating, LLC was continued to the April 2025 hearing.

Docket 51-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 25-2025.

Docket 52-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 26-2025.

Docket 53-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 27-2025.

Docket 54-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 28-2025.

Docket 55-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 29-2025.

Docket 56-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 30-2025.

Docket 57-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 31-2025.

Docket 58-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 32-2025.

Docket 59-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 33-2025.

Docket 60-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 34-2025.

Docket 61-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 35-2025.

Docket 62-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 36-2025.

Docket 63-2025 – The application of Kraken Oil & Gas LLC was continued to the April 2025 hearing.

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Docket 66-2025 – The application of Kraken Oil & Gas LLC was continued to the April 2025 hearing.

Docket 67-2025 – The application of Kraken Oil & Gas LLC was continued to the April 2025 hearing.

Docket 68-2025 – The application of Kraken Oil & Gas LLC was continued to the April 2025 hearing.

Docket 69-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 37-2025.

Docket 70-2025 – A motion was made by Mr. Welter seconded by Mr. Wivholm and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 38-2025.

Docket 71-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 15-2025.

Docket 72-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 16-2025.

Docket 73-2025 / 5-2025 FED – A motion was made by Mr. Welter seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 17-2025.

Docket 74-2025 / 6-2025 FED – A motion was made by Mr. Welter seconded by Mr. McDermott and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 18-2025.

Docket 75-2025 – The application of MorningStar Operating LLC was continued to the April 2025 hearing.

Docket 76-2025 – The application of Phoenix Operating LLC was continued to the April 2025 hearing.

Docket 77-2025 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, LLC was approved as set forth in Board Order 21-2025.

Docket 78-2025 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Denbury Onshore, LLC was approved as set forth in Board Order 22-2025.

Docket 79-2025 – The application of WY Basin Operating, LLC was continued to the April 2025 hearing.

Docket 80-2025 – A motion was made by Mr. Wivholm, seconded by Mr. Welter and unanimously passed, that staff may proceed with administrative review and approval of the change of operator request from Three Forks Resources, LLC to A. B. Energy LLC. This is set forth in Board Order 66-2025.

Docket 81-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, that staff may proceed with administrative review and approval of the change of operator request from Scout Energy Management LLC to Ridge Energy. Ridge must appear at the October 9, 2025, public hearing to provide an update of its activities including any reduction in abandonment liability by either plugging wells or returning wells to production. This is set forth in Board Order 67-2025.

Docket 153-2024 – A motion was made by Mr. Wivholm, seconded by Mr. Tietz and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 39-2025.

Docket 175-2024 – A motion was made by Mr. Tietz, seconded by Mr. Wivholm and unanimously passed, to deny the application of Phoenix Operating LLC as set forth in Board Order 39-2025.

Docket 195-2024 – A motion was made by Mr. Tietz, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 41-2025.

Docket 196-2024 – A motion was made by Mr. Welter, seconded by Mr. Tietz and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 42-2025.

Docket 197-2024 – A motion was made by Mr. Tietz, seconded by Mr. Welter and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 40-2025.

Docket 199-2024 – A motion was made by Mr. Tietz, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 50-2025.

Docket 200-2024 – A motion was made by Mr. Tietz, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 51-2025.

Docket 201-2024 – A motion was made by Mr. Wivholm, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 52-2025.

Docket 202-2024 – A motion was made by Mr. Wivholm, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 53-2025.

Docket 203-2024 – The application of Continental Resources Inc was continued to the April 2025 hearing.

Docket 204-2024 – The application of Continental Resources Inc was continued to the April 2025 hearing.

Docket 205-2024 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 54-2025.

Docket 206-2024 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, to approve the application of Continental Resources Inc as set forth in Board Order 55-2025.

Docket 210-2024 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Phoenix Operating LLC was approved as set forth in Board Order 23-2025.

Docket 211-2024 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Phoenix Operating LLC was approved as set forth in Board Order 24-2025.

Docket 82-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, that Big Sky Energy, LLC is fined \$1,000 for failure to appear at the February 20, 2025, public hearing. Big Sky is to appear at the April 10, 2025, public hearing and show-cause, if any it has, why additional penalties, which could include its production being declared illegal in accordance with ARM 36.22.1245, should not be assessed for failure to file delinquent production and injection reports, failure to pay the penalty assessed for delinquent reporting, failure to pay the \$1,000 fine assessed for not appearing at the December 5, 2024, public hearing, and failure to appear at the February 20, 2025, public hearing. A licensed process server retained by the Board shall serve upon Big Sky all previous unclaimed orders and a copy of this order. This is set forth in Board Order 68-2025.

Docket 83-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed that Docket 83-2025, Buckley, Michael T. is dismissed. This is set forth in Board Order 69-2025.

Docket 84-2025 – The show-cause hearing of Comanche Drilling Company was dismissed.

Docket 85-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, that D90 Energy, LLC is fined \$1,000 for failure to appear at the February 20, 2025, public hearing. D90 is to appear at the April 10, 2025, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent injection reports, failure to pay the penalty assessed for delinquent reporting, and failure to appear at the February 20, 2025, public hearing. This is set forth in Board Order 70-2025.

Docket 86-2025 – The show-cause hearing of Yellowstone Petroleums, Inc. was dismissed.

Docket 87-2025 – A motion was made by Mr. McDermott, seconded by Mr. Welter and unanimously passed, that Big Sky Energy, LLC is fined \$1,000 for failure to appear at the February 20, 2025, public hearing. Big Sky is to appear at the April 10, 2025, public hearing and show-cause, if any it has, why additional penalties, which could include its production being declared illegal in accordance with ARM 36.22.1245, should not be assessed for failure to file delinquent production and injection reports, failure to

pay the penalty assessed for delinquent reporting, failure to pay the \$1,000 fine assessed for not appearing at the December 5, 2024, public hearing, and failure to appear at the February 20, 2025, public hearing. A licensed process server retained by the Board shall serve upon Big Sky all previous unclaimed orders and a copy of this order. This is set forth in Board Order 68-2025.

Docket 88-2025 – A motion was made by Mr. McDermott, seconded by Mr. Tietz and unanimously passed, that Docket 88-2025, Coalridge Disposal and Petroleum, Inc., is continued until the October 9, 2025, public hearing. This is set forth in Board Order 71-2025.

Docket 89-2025 – A motion was made by Mr. Wivholm, seconded by Mr. McDermott and unanimously passed, that D&A Water Disposal LLC must begin to plug and abandon its wells prior to the April 10, 2025, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bonds in its entirety, as permitted by § 82-11-123(5), MCA. D&A must appear at the April 10, 2025, public hearing. The \$250 daily fine is stopped as of February 20, 2025. This is set forth in Board Order 72-2025.

Docket 90-2025 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, that Montana Energy Company, LLC is fined \$1,000 for failure to comply with Board Order 15-A-2024. MEC must remedy the field violations by the May 8, 2025, hearing application deadline. Following the May 8, 2025, deadline a penalty of \$100 per day be assessed until compliance is achieved and confirmed by inspection. Docket 90-2025 is continued until the June 12, 2025, public hearing. This is set forth in Board Order 73-2025.

Docket 91-2025 – A motion was made by Mr. McDermott, seconded by Mr. Tietz and unanimously passed, that the plugging and reclamation bonds for Summit Gas Resources, Inc. are forfeited. This is set forth in Board Order 74-2025.

Docket 92-2025 – A motion was made by Mr. Welter, seconded by Mrs. Skelton and unanimously passed, that Yellowstone Petroleums, Inc is fined \$1,000 for failure to comply with Board Order 48-2024. Yellowstone must have an approved plan to plug and abandon its Essex-Thompson 1 and Myhre 3-25 wells by June 1, 2025. Following the June 1, 2025, deadline a penalty of \$250 per day be assessed until the abandonment plans have been received and approved. Docket 92-2025 is continued until the June 12, 2025, public hearing. Board staff has the authority to dismiss the docket if plugging operations have commenced prior to the June 12, 2025, public hearing. This is set forth in Board Order 75-2025.

Docket 215-2024 – A motion was made by Mr. Welter, seconded by Mr. Wivholm and unanimously passed, that Powder Battalion Holdings LLC must begin the process to plug and abandon its MT State 9-42 36-06CK well and either plug and abandon or convert its Remington 10-43 05-07CK well to a water well by the July 10, 2025, hearing application deadline. Following the July 10, 2025, deadline a penalty of \$250 per day be assessed until the above-mentioned work has commenced. Docket 215-2024 is continued until the August 14, 2025, public hearing. Board staff has the authority to dismiss the docket if plugging operations have commenced prior to the August 14, 2025, public hearing. This is set forth in Board Order 76-2025.

NEXT MEETINGS

The next business meeting of the Board will be Wednesday, April 9, 2025, at 2:00 p.m. at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. The next regular public hearing will be Thursday, April 10, 2025, beginning at 9:00 a.m. at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. The filing deadline for the April 10th public hearing is March 6, 2025.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Steven Durrett, Chairman
Corey Welter, Vice-Chairman
Roy Brown, Board Member (absent)
Mac McDermott, Board Member
Barbara Skelton, Board Member
W. John Tietz, Board Member
Jeff Wivholm, Board Member

ATTEST:

Jennifer Breton, Program Specialist