

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

IN THE MATTER OF BAD WATER DISPOSAL, LLC FOR  
FAILURE TO PROPERLY MAINTAIN THE WELLSITE FOR  
ITS FLB SPOKANE 3 WELL IN RICHLAND COUNTY,  
MONTANA AND TO PAY THE ANNUAL INJECTION FEE,  
IN ACCORDANCE WITH ARM 36.22.1423.

ADMINISTRATIVE ORDER 5-A-2025

Bad Water Disposal, LLC (Bad Water) is the operator of the FLB Spokane 3 well, API # 25-083-21259, located in the SE¼SE¼ of Section 7, T22N-R60E, Richland County, Montana.

On January 7, 2025, a field inspector discovered a spill at the FLB Spokane 3 well location.

On February 10, 2025, Bad Water was contacted via telephone to immediately address the compliance issue. In accordance with ARM 36.22.1104, the owner or operator must promptly control and clean up any leak, spill, escape, or discharge, regardless of the amount of oil, produced water, water containing more than 15,000 ppm TDS, or gas involved. An email was sent on March 12, 2025, with a deadline of April 9, 2025, to resolve the compliance issues or Bad Water would be discussed at the Board Business meeting. Bad Water was also contacted by email on February 10, 2025, regarding the \$200 annual injection well fee. No response was received to this email.

At the April 9, 2025, business meeting, staff reported that Bad Water has not addressed the field violation and has not paid the annual injection fee that was due on January 31, 2025. In accordance with ARM 36.22.1423, a \$200 annual injection fee is due for each permitted injection well. Staff made several attempts to contact the operator regarding both issues. At this meeting, the Board assessed Bad Water a \$100 per well late fee for failure to submit its injection well payment prior to the deadline.

IT IS THEREFORE ORDERED by the Board that Bad Water is assessed a \$100 late fee for failure to pay the annual injection well fee by January 31, 2025. The total due in injection well fees and penalties is now \$300.

IT IS FURTHER ORDERED by the Board that Bad Water must appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the annual injection fee for its permitted injection well, the late fee assessed for nonpayment, and for failure to remedy the field violation. Board staff has authority to dismiss the docket if Bad Water achieves compliance prior to the June 12, 2025, public hearing.

Dated this 9<sup>th</sup> day of April, 2025

Montana Board of Oil and Gas Conservation

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Benjamin Jones, Administrator