

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

IN THE MATTER OF THE REQUEST OF REHEARING OF  
KRAKEN OIL & GAS LLC DOCKETS 465-2025 AND 466-2025  
BY PHOENIX OPERATING LLC IN ACCORDANCE WITH  
SECTION 82-11-143, M.C.A.

ADMINISTRATIVE ORDER 2-A-2026

At the Board's December 11, 2025, public hearing, the Board considered protests filed by Phoenix Operating LLC (Phoenix) pursuant to ARM 36.22.601 concerning Kraken Oil & Gas LLC's (Kraken) applications for permits to drill within existing temporary spacing units comprised of all of Sections 18, 19, 30, and 31, T28N-R57E and all of Sections 13, 24, 25, and 36, T28N-R56E, Roosevelt County, Montana. The Board heard testimony and received exhibits from both Phoenix and Kraken regarding correlative rights, prevention of waste, orderly development, ownership interests within the spacing unit, and compliance with the existing temporary spacing unit order. The Board clarified that the matter before it was a protest of specific drilling permit applications and not a request to modify or reconsider the existing temporary spacing unit.

Following consideration of the record, the Board determined that Phoenix did not demonstrate through testimony and exhibits that the protested drilling permit applications failed to protect correlative rights, prevent waste, or comply with the approved spacing order. The Board therefore denied the protests and authorized staff to proceed with approval of the drilling permits.

Following that hearing, Phoenix filed a rehearing request of Dockets 465-2025 and 466-2025 pursuant to § 82-11-143, MCA. Phoenix asserted that the Board did not properly consider correlative rights and private rights in reaching its decision.

At the subsequent meeting, Wendy Johnson, attorney, appeared on behalf of Phoenix in support of the rehearing request, and Uriah Price, attorney, appeared on behalf of Kraken in opposition. The Board considered the arguments presented and the record of the prior hearing. The record reflects that the Board considered Phoenix's arguments regarding correlative rights, prevention of waste, and orderly development, and made its determination based on the evidence presented in the context of a protest to specific drilling permit applications.

The Board determined that Phoenix did not demonstrate newly discovered evidence, material error, or other grounds sufficient to warrant rehearing under § 82-11-143, MCA. A motion was made and passed to deny the request for rehearing.

IT WAS THEREFORE ORDERED by the Board that the request to rehear Dockets 465-2025 and 466-2025 was denied.

Dated this 11<sup>th</sup> day of February, 2026

Montana Board of Oil and Gas Conservation

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Benjamin Jones, Administrator