

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

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

ADMINISTRATIVE ORDER 3-A-2026

Bad Water Disposal, LLC (Bad Water) is the operator of the FLB Spokane 3 well, API # 25-083-21259, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 7, T22N-R60E, Richland County, Montana. In accordance with ARM 36.22.1423, a \$200 annual injection fee is due for each permitted injection well.

At the April 8, 2026, business meeting, staff reported that Bad Water has not paid the annual injection fee that was due on January 31, 2026. Staff made several attempts to contact the operator. 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 WAS 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, 2026. The total due in injection well fees and penalties is now \$300.

IT WAS FURTHER ORDERED that Bad Water must appear at the June 11, 2026, public hearing, 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 and the late fee assessed for nonpayment. Board staff has authority to dismiss the docket if Bad Water achieves compliance prior to the June 11, 2026, public hearing.

Dated this 8<sup>th</sup> day of April, 2026

Montana Board of Oil and Gas Conservation

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Benjamin Jones, Administrator