

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

IN THE MATTER OF CYPRESS ENERGY PARTNERS -
SHERIDAN SWD, LLC AND ITS SHERIDAN FACILITY
SWD COMMERCIAL DISPOSAL WELL.

ADMINISTRATIVE ORDER 11-A-2026

At the August 10, 2023, public hearing, a change of operator request was heard regarding Cypress Energy Partners - Sheridan SWD, LLC's (Cypress) Sheridan Facility SWD well, API # 25-091-21892, to Black Gold Energy Sheridan Facility, Inc. (Black Gold).

The Board issued Board Order 86-2023, authorizing staff to proceed with administrative review and approval of the change of operator request of the Sheridan Facility SWD well. The order required Black Gold to submit a UIC plugging and reclamation bond in the amount of \$20,000 and that the well must pass a mechanical integrity test prior to resuming injection in the well.

The transfer of operator responsibility to Black Gold was never approved by Board staff because the required \$20,000 UIC plugging and reclamation bond was never submitted.

On April 8, 2026, Cypress submitted an updated organization report identifying Black Gold as a managing member. As a result, the Sheridan Facility SWD well is effectively under the control of the same ownership that was the subject of Order 86-2023.

On April 28, 2026, Board staff sent a certified letter to Cypress requesting that it provide an additional \$10,000 UIC plugging and reclamation bond by June 10, 2026, in order to satisfy the total \$20,000 bonding requirement established by Order 86-2023 or this matter would be brought up at the Board business meeting on June 10, 2026. Cypress responded that it would provide the additional bonding.

To date, Cypress has not posted the additional \$10,000 UIC plugging and reclamation bond for the well.

IT WAS THEREFORE ORDERED by the Board that Cypress must submit the additional plugging and reclamation bond in the amount of \$10,000, for a total plugging and reclamation bond of \$20,000 prior to the July 9, 2026, hearing application deadline or it will be required appear at the August 13, 2026, public hearing and show-cause, if any it has, why penalties should not be imposed for failure to comply with Board Order 86-2023.

IT WAS FURTHER ORDERED that Board staff has the authority to dismiss the docket if the total UIC plugging and reclamation bond requirement of \$20,000 is in place prior to the August 13, 2026, public hearing.

Dated this 10th day of June, 2026

Montana Board of Oil and Gas Conservation

Benjamin Jones, Administrator