

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

**Telephonic Business Meeting Agenda
February 3, 2021 2:00 p.m.**

Physical location of Meeting: Board of Oil and Gas Conservation Hearing room, 2535 St. Johns Avenue, Billings, Montana

Everyone on the premises should maintain at least six feet of separation from any other person. If necessary, individuals will be allowed to enter on a rotating basis, as needed, to comply with social distancing.

Due to COVID-19 considerations, please call into the meeting using the following directions

Conference Call Access:

Call-in Number: **1 646 558 8656**

Meeting ID: **934 9140 7664** and then **press #**

Zoom Meeting URL <https://mt-gov.zoom.us/j/93491407664>

Meeting Participation Instructions:

Many participants are anticipated. To enable this meeting to run smoothly:

- Place your phone on mute.
- Do not place your phone on hold.
- The board chair will manage the meeting. Do not speak until called upon by the chair. Opportunity for input will be provided.

The agenda for that meeting is as follows:

1. Call to order
2. Roll Call & Instructions
 - Steven Durrett, Chairman
 - Paul Gatzemeier, Vice-Chairman
 - Mac McDermott, Board Member
 - Linda Nelson, Board Member
 - Dennis Trudell, Board Member
 - Joseph Michael Weber, Board Member
 - Corey Welter, Board Member
3. Approval of minutes of December 2, 2020, business meeting
4. Public comment on agenda and non-agenda items
5. Well Done Foundation project update
6. Cat Creek Holdings LLC update required by Board Order 30-2020
7. Samson Resources Company reclamation release
8. Financial report
9. Bond summary & incident report
10. Docket summary
11. Gas flaring exceptions
12. Executive Order 1-2021
13. Staff reports
14. Other business
15. Adjourn

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

**Telephonic Public Hearing Agenda
February 4, 2021 9:00 a.m.**

Physical location of Meeting: Board of Oil and Gas Conservation Hearing room, 2535 St. Johns Avenue, Billings, Montana

Everyone on the premises should maintain at least six feet of separation from any other person. If necessary, individuals will be allowed to enter on a rotating basis, as needed, to comply with social distancing.

Due to COVID-19 considerations, please call into the meeting using the following directions

Conference Call Access:

Call-in Number: **1-646-558-8656 (toll-free)**

Meeting ID: 982 7828 7200 and then **press #**

Zoom Meeting URL: <https://mt-gov.zoom.us/j/98278287200>

Meeting Participation Instructions:

Many participants are anticipated. To enable this meeting to run smoothly:

- Place your phone on mute.
- Do not place your phone on hold.
- The board chair will manage the meeting. Do not speak until called upon by the chair. Opportunity for input will be provided.

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Erin Ricci at (406) 444-6731 or Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

Docket 61-2020
Continued from December 2020

APPLICANT: DENBURY ONSHORE LLC – WIBAUX COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to authorize the production of oil and associated natural gas from the Charles Formation / Madison Group with respect to the South Pine 43-22AR well at a location of 2,005' FSL and 850' FEL in the statewide spacing unit comprised of SE $\frac{1}{4}$ of Section 22, T11N-R57E, Wibaux County, Montana, as an exception to A.R.M. 36.22.702.

Docket 63-2020
Continued from December 2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** for approval of a pilot enhanced recovery project pursuant to A.R.M. 36.22.1229 in the Madison Group involving the overlapping temporary spacing unit comprised of the S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 8, W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ of Section 17, T10N-58E, Fallon County, Montana, for a period not to exceed eighteen months from the commencement of injection operations.

Docket 64-2020
Continued from December 2020

APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore LLC** to designate a permanent spacing unit comprised of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 19, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, T4N-R62E and the NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, T4N-R61E, Fallon County, Montana, for the production of oil and associated natural gas from the Mission Canyon Formation / Madison Group with respect to the Little Beaver East Unit MC22-30NH well.

Docket 1-2021

APPLICANT: MONTALBAN OIL & GAS OPERATIONS, INC. – GLACIER, PHILLIPS, AND TOOLE COUNTIES, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 153 wells in Glacier County, one well in Phillips County, and 50 wells in Toole County, Montana, identified in the application from **Omimex Canada, Ltd. to Montalban Oil & Gas Operations, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 2-2021

APPLICANT: CONTANGO RESOURCES, INC. – CARBON COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 93 wells in Carbon County, Montana, identified in the application from **Grizzly Operating, LLC to Contango Resources, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 3-2021

APPLICANT: BLACK GOLD ENERGY RICHLAND FACILITY, INC. – RICHLAND COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for the Velma SWD 1-10H commercial disposal well, API # 25-083-22531, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, T23N-R58E, Richland County, Montana from **Shadwell Resources Group, LLC to Black Gold Energy Richland Facility, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 4-2021

APPLICANT: BLACK GOLD ENERGY INDIAN MOUND FACILITY, INC. – RICHLAND COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for the Indian Mound 1 commercial disposal well, API # 25-083-21377, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T23N-R55E, Richland County, Montana from **Black Gold Energy Resource Development, LLC to Black Gold Energy Indian Mound Facility, Inc.** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 70-2020
Continued from December 2020

APPLICANT: A&S MINERAL DEVELOPMENT CO., LLC – VALLEY COUNTY, MONTANA

Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for 48 wells in Valley County, Montana, identified in the application from **Anadarko Minerals, Inc. to A&S Mineral Development Co., LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 5-2021
SHOW-CAUSE HEARING

RESPONDENT: KYKUIT RESOURCES, LLC – BLAINE AND FERGUS COUNTIES, MONTANA

Upon the Board's own motion to require **Kykuit Resources, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$940.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Kykuit Resources, LLC to further penalties as prescribed by Board Policy.

Docket 6-2021
SHOW-CAUSE HEARING

RESPONDENT: LYON, JOHN J. – GLACIER AND TOOLE COUNTIES, MONTANA

Upon the Board's own motion to require **Lyon. John J.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$120.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Lyon, John J. to further penalties as prescribed by Board Policy.

Docket 7-2021
SHOW-CAUSE HEARING

RESPONDENT: MBI OIL & GAS, LLC – RICHLAND COUNTY, MONTANA

Upon the Board's own motion to require **MBI Oil and Gas, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$300.00. This docket will be dismissed if payment is received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects MBI Oil and Gas, LLC to further penalties as prescribed by Board Policy.

Docket 8-2021
SHOW-CAUSE HEARING

RESPONDENT: PAINTED PEGASUS PETROLEUM LLC DBA P3 PETROLEUM LLC – RICHLAND COUNTY, MONTANA

Upon the Board's own motion to require **Painted Pegasus Petroleum LLC dba P3 Petroleum LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$160.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Painted Pegasus Petroleum LLC dba P3 Petroleum LLC to further penalties as prescribed by Board Policy.

Docket 41-2020
SHOW-CAUSE HEARING
Continued from August 2020

RESPONDENT: SHADWELL RESOURCES GROUP, LLC– RICHLAND COUNTY, MONTANA

Upon the Board's own motion to require **Shadwell Resources Group, LLC** to appear and show cause, if any it has, why Administrative Order 3-A-2020 issued at the June 24, 2020, business meeting should not remain in effect for the Velma SWD 1-10H well, API # 25-083-22531, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, T23N-R58E, Richland County, Montana. It was ordered that Shadwell Resources Group, LLC must immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator. Shadwell is subject to a \$250 fine for each day after August 24, 2020, that the violations remain unresolved.

Docket 51-2020
SHOW-CAUSE HEARING
Continued from October 2020

RESPONDENT: ROLAND OIL AND GAS – GLACIER AND PONDERA COUNTIES, MONTANA

Upon the Board's own motion to require **Roland Oil and Gas** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$2,000 fine assessed for not appearing at the August 6, 2020 and December 3, 2020, public hearings.

Docket 52-2020
SHOW-CAUSE HEARING
Continued from October 2020

RESPONDENT: ZEIDERS BROS. OIL & GAS COMPANY, LLC – MCCONE COUNTY, MONTANA

Upon the Board's own motion to require **Zeiders Bros. Oil & Gas, LLC** to appear and show cause, if any it has, why it should not immediately plug and abandon its Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 5, T22N-R47E, McCone County, Montana before the October 1, 2020, public hearing and pay the outstanding fine in the amount of \$10,500, as required by Board Order 3-2020, and for failure to pay the \$1,000 fine assessed for not appearing at the December 3, 2020, public hearing.

Docket 71-2020
SHOW-CAUSE HEARING
Continued from December 2020

RESPONDENT: PAMECT OIL, KEITH E. TYNER DBA – PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Pamect Oil, Keith E. Tyner Dba** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$240.00. This docket will be dismissed if payment and reports are received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Pamect Oil, Keith E. Tyner DBA to further penalties as prescribed by Board Policy.

Docket 73-2020
SHOW-CAUSE HEARING
Continued from December 2020

RESPONDENT: HAWLEY HYDROCARBONS, MERRILL&CAROL HAWLEY DBA – PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Hawley Hydrocarbons, Merril&Carol Hawley DBA** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file production and injection reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

Docket 74-2020
SHOW-CAUSE HEARING
Continued from December 2020

RESPONDENT: HAWLEY OIL COMPANY – PONDERA AND TETON COUNTIES, MONTANA

Upon the Board's own motion to require **Hawley Oil Company** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

Docket 75-2020
SHOW-CAUSE HEARING
Continued from December 2020

RESPONDENT: HAWLEY-NORTHROP- PONDERA COUNTY, MONTANA

Upon the Board's own motion to require **Hawley-Northrup** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the October 1, 2020, public hearing.

BOARD OF OIL AND GAS CONSERVATION

Erin Ricci
Administrative Assistant