

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

UPON THE APPLICATION OF LUSTRE OIL COMPANY LLC TO  
VACATE BOARD ORDER 245-2014 THAT CREATED A  
TEMPORARY SPACING UNIT COMPRISED OF THE S½ OF  
SECTION 3, T30N-R44E, VALLEY COUNTY, MONTANA.

ORDER 1-2022

Docket No. 2-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. James Parrot, attorney, Travis Leck, petroleum engineer, and Tom Hohn, consulting petroleum engineer appeared on behalf of Lustre Oil Company LLC.

3. Board Order 245-2014 designated a temporary spacing unit for the drilling of a horizontal Madison Formation well. The horizontal well was not drilled, and applicant requested that Order 245-2014 be vacated and that future development within the tract be controlled by Lustre Field rules.

4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 245-2014 is hereby vacated and the lands covered by that order are subject to Lustre Field rules.

BOARD ORDER NO. 1-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 18-2020 WHICH CREATED AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 22, 27, AND 34, T26N-R59E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE OVERLAPPING TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT THE OPERATIONS FOR THE DRILLING OF SAID WELL MUST BE COMMENCED NOT LATER THAN FEBRUARY 17, 2023. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 2-2022

Docket No. 3-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, appeared on behalf of Kraken Oil & Gas LLC.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 18-2020 is hereby amended to provide that drilling operations must commence not later than February 17, 2023.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD ORDER NO. 2-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 47-2020 WHICH AUTHORIZED THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS FROM A COMMON PAD ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 2, 11, AND 14, T24N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT THE OPERATIONS FOR THE DRILLING OF SAID WELL MUST BE COMMENCED NOT LATER THAN FEBRUARY 17, 2023. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 3-2022

Docket No. 4-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, appeared on behalf of Kraken Oil & Gas LLC.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 47-2020 is hereby amended to provide that drilling operations must commence not later than February 17, 2023.

IT IS FURTHER ORDERED that applicant must apply for permanent spacing within 90 days of successful well completion.

BOARD ORDER NO. 3-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF PETRO-HUNT, LLC TO DESIGNATE  
A PERMANENT SPACING UNIT COMPRISED OF THE SE¼ OF  
SECTION 11 AND THE NE¼ OF SECTION 14, T18N-R54E, DAWSON  
COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND  
ASSOCIATED NATURAL GAS FROM THE RED RIVER  
FORMATION WITH RESPECT TO THE NISSLEY FARMS 18-54-14A-  
4-1 WELL.

ORDER 4-2022

Docket No. 5-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Jeff Herman, regional manager, Jeff Wingerter, consulting geologist, Tom Hohn, consulting petroleum engineer, appeared on behalf of Petro-Hunt, LLC.
3. The SE¼ of Section 11 and the NE¼ of Section 14, T18N-R54E comprise a statewide temporary spacing unit for production from the Red River Formation. Applicant has completed the Nissley Farms 18-54-14A-4-1 well as a producing well.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SE¼ of Section 11 and the NE¼ of Section 14, T18N-R54E, Dawson County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Red River Formation.

IT IS FURTHER ORDERED that the Nissley Farms 18-54-14A-4-1 well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 4-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF PETRO-HUNT, LLC TO DESIGNATE  
A PERMANENT SPACING UNIT COMPRISED OF THE N½ OF  
SECTION 36, T23N-R55E, RICHLAND COUNTY, MONTANA, FOR  
THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS  
FROM THE RED RIVER FORMATION WITH RESPECT TO THE  
STATE 23-55-36B-1 WELL.

ORDER 5-2022

Docket No. 6-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, Jeff Herman, regional manager, Jeff Wingerter, consulting geologist, Tom Hohn, consulting petroleum engineer, appeared on behalf of Petro-Hunt, LLC.
3. The N½ of Section 36, T23N-R55E comprises a statewide temporary spacing unit for production from the Red River Formation. Applicant has completed the State 23-55-36B-1 well as a producing well.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the N½ of Section 36, T23N-R55E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Red River Formation.

IT IS FURTHER ORDERED that the State 23-55-36B-1 well is the authorized well for said permanent spacing unit.

BOARD ORDER NO. 5-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO  
CONVERT THE 33-31C WELL (API #25-025-21183) IN THE NW¼SE¼  
OF SECTION 31, T8N-R60E, FALLON COUNTY, MONTANA  
(PENNEL FIELD) TO A SALTWATER DISPOSAL WELL IN THE  
MISSION CANYON FORMATION AT A DEPTH OF  
APPROXIMATELY 7,045-7,680 FT.

ORDER 10-2022

Docket No. 7-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Denbury Onshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 10-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF 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 933 WELLS IN GLACIER, PONDERA, TETON, AND TOOLE COUNTIES, MONTANA, IDENTIFIED IN THE APPLICATION FROM SYNERGY OFFSHORE LLC TO NEW HORIZON RESOURCES LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA. BOARD RECORDS SHOW SYNERGY IS RESPONSIBLE FOR 767 PRODUCING WELLS COVERED BY A MULTIPLE WELL BOND, 144 INJECTION WELLS WHICH ARE BONDED SEPARATELY, AND 24 FEDERALLY BONDED WELLS.

ORDER 6-2022

Docket No. 104-2021

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Uriah Price, attorney, and Donald Kessel, chief operating officer, appeared on behalf of New Horizon Resources LLC (New Horizon).
3. The Board and its staff reviewed New Horizon's change of operator request from Synergy Offshore LLC (Synergy).
4. New Horizon proposed a \$250,000 multiple well plugging and reclamation bond that would cover 765 wells, which includes 306 producing wells and 459 shut-in wells. New Horizon proposed an equivalent \$314,375 UIC plugging and reclamation bond that would cover 144 injection wells. There are 24 wells that will be federally bonded.
5. New Horizon filed sundry notices with its intent to plug and abandon five wells.
6. Synergy is not transferring the Kiefer Farms 1 and Koepke Farms gas wells.
7. The Board determined that New Horizon's proposed plugging and reclamation bonds are adequate and in accordance with ARM 36.22.1308(3).
8. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

BOARD ORDER NO. 6-2022

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

IT IS FURTHER ORDERED that New Horizon must submit a \$250,000 multiple well plugging and reclamation bond and a \$314,375 UIC plugging and reclamation bond prior to administrative approval of the transfer.

IT IS FURTHER ORDERED that New Horizon appear at the August 18, 2022, public hearing to provide an update of its activities including any reduction in abandonment liability by either plugging wells or returning wells to production.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE JANSSEN GAS  
TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD  
NOT IMMEDIATELY PLUG AND ABANDON ITS WELLS IN  
POWDER RIVER COUNTY, MONTANA.

ORDER 7-2022

Docket No. 8-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Janssen Gas.
3. At the December 1, 2021, business meeting, Janssen Gas was brought to the Board's attention for its two inactive wells, Janssen 1 and Janssen 2, that have not produced in over two years.
4. Janssen Gas has been deemed unlocatable.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Janssen Gas is fined \$1,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Janssen Gas must begin to plug and abandon its wells in Powder River County, Montana prior to the April 14, 2022, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 7-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE POWDER RIVER GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS WELLS IN POWDER RIVER COUNTY, MONTANA.

ORDER 8-2022

Docket No. 9-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Powder River Gas, LLC (Powder River).
3. At the December 1, 2021, business meeting, Powder River was brought to the Board's attention for its two inactive wells, State of MT 41-36-4-A and State of MT 41-36-1, that have not produced in over two years.
4. Powder River has been deemed unlocatable.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Powder River is fined \$1,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Powder River must begin to plug and abandon its wells in Powder River County, Montana prior to the April 14, 2022, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 8-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE POWERS ENERGY INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS JENSEN 1 WELL, API # 25-003-21202, LOCATED IN THE NW¼SE¼SE¼ OF SECTION 28, T9S-R39E, BIG HORN COUNTY, MONTANA.

ORDER 9-2022

Docket No. 10-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Powers Energy Inc. (Powers Energy).
3. At the December 1, 2021, business meeting, Powers Energy was brought to the Board's attention for its Jensen 1 inactive well that has not produced in over two years.
4. Powers Energy has been deemed unlocatable.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Powers Energy is fined \$1,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Powers Energy must begin to plug and abandon its Jensen 1 well, API # 25-003-21202, located in the NW¼SE¼SE¼ of Section 28, T9S-R39E, Big Horn County, Montana prior to the April 14, 2022, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 9-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE FORWARD ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS WELLS IN YELLOWSTONE COUNTY, MONTANA.

ORDER 11-2022

Docket No. 11-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Forward Energy, LLC (Forward).
3. Board Order 84-2021 issued at the Board's October 2021 hearing required that Forward appear at the December 2, 2022, hearing. No one appeared on behalf of Forward, and a \$2,000 penalty was assessed.
4. Forward's three wells have been shut in for over two years.
5. Forward requested additional time to come into compliance.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Forward is fined \$2,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Forward must begin to plug and abandon its wells in Yellowstone County, Montana prior to the April 14, 2022, public hearing. Failure to begin to plug and abandon the wells may result in additional penalties or the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

BOARD ORDER NO. 11-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE PAMECT OIL,  
KEITH E. TYNER DBA AND LOWRANCE-TYNER OPERATING TO  
APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD  
NOT BEGIN TO PLUG AND ABANDON ITS WELLS IN PONDERA  
AND TETON COUNTIES, MONTANA PRIOR TO THE FEBRUARY  
17, 2022, PUBLIC HEARING. FAILURE TO BEGIN TO PLUG AND  
ABANDON THE WELLS MAY RESULT IN ADDITIONAL  
PENALTIES OR THE FORFEITURE OF THE PLUGGING AND  
RECLAMATION BOND IN ITS ENTIRETY, AS PERMITTED BY § 82-  
11-123(5), MCA.

ORDER 12-2022

Docket No. 12-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. No one appeared on behalf of Pamect Oil, Keith E. Tyner DbA (Pamect) and Lowrance-Tyner Operating (Lowrance-Tyner).

3. Pamect and Lowrance-Tyner has an outstanding fine of \$3,640. This fine amount includes a \$240 penalty for delinquent reporting, \$200 annual well injection operating fee for each company, and \$3,000 for failure to appear at the August 12, 2021, October 14, 2021, and December 2, 2021, public hearings.

4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that the plugging and reclamation bonds for Pamect Oil, Keith E. Tyner DbA and Lowrance-Tyner Operating are hereby forfeited.

BOARD ORDER NO. 12-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE ROLAND OIL AND GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BEGIN TO PLUG AND ABANDON ITS WELLS IN GLACIER AND PONDERA COUNTIES, MONTANA PRIOR TO THE FEBRUARY 17, 2022, PUBLIC HEARING. FAILURE TO BEGIN TO PLUG AND ABANDON THE WELLS MAY RESULT IN ADDITIONAL PENALTIES OR THE FORFEITURE OF THE PLUGGING AND RECLAMATION BOND IN ITS ENTIRETY, AS PERMITTED BY § 82-11-123(5), MCA.

ORDER 13-2022

Docket No. 13-2022

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Roland Oil and Gas (Roland).
3. Roland filed production reports through December 2021.
4. Roland has not paid the outstanding fine of \$4,400. This fine amount includes a \$400 penalty for delinquent reporting and \$4,000 for failure to appear at the August 6, 2020, December 3, 2020, August 12, 2021, and December 2, 2021, public hearings.
5. Parties are working with Roland to get the wells transferred. There have been delays due to estate issues.
6. Staff recommended Roland additional time to come into compliance.
7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 13-2022 is continued until the April 14, 2022, public hearing.

BOARD ORDER NO. 13-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS.

ORDER 14-2022

Docket No. 108-2021

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Mr. Chris Blount, president, appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold). Mr. Blount was aware that legal counsel was required to represent the company but stated that his attorney was unable to attend.
3. Per Board policy, because no duly licensed Montana attorney appeared to represent Black Gold, Black Gold has failed to appear at the hearing.
4. The primary violation at the Indian Mound 1 well occurred as a result of a windstorm in June 2021.
5. An inspection performed on February 15, 2022, found that the pit associated with the Indian Mound 1 well contained oil and was not fenced, screened, and netted as required under ARM 36.22.1223. The other outstanding field compliance issues had not been fully addressed.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 14-2022

Order

IT IS THEREFORE ORDERED by the Board that Black Gold must fence, screen and net the pit by March 3, 2022. Black Gold is subject to a \$250 fine for each day after the deadline that the violation remains unaddressed. The fine will remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that Black Gold is fined \$1,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Docket 108-2021 is continued until the April 14, 2022, public hearing where additional penalties will be applied should the Indian Mount 1 well and location not be in full compliance with Board rules.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RICHLAND FACILITY, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE CONSIDERED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS.

ORDER 15-2022

Docket No. 109-2021

Report of the Board

The above entitled cause came on regularly for hearing on February 17, 2022, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Mr. Chris Blount, president, appeared on behalf of Black Gold Energy Richland Facility, Inc. (Black Gold). Mr. Blount was aware that legal counsel was required to represent the company but stated that his attorney was unable to attend.
3. Per Board policy, because no duly licensed Montana attorney appeared to represent Black Gold, Black Gold has failed to appear at the hearing.
4. At the time of hearing, the outstanding field compliance issues at the Velma SWD 1-10H well were not resolved prior to the hearing.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Black Gold is fined \$1,000 for failure to appear at the February 17, 2022, public hearing.

IT IS FURTHER ORDERED that Docket 109-2021 is continued until the April 14, 2022, public hearing where additional penalties will be applied should the Velma SWD 1-10H well and location not be in full compliance with Board rules.

BOARD ORDER NO. 15-2022

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 17<sup>th</sup> day of February, 2022.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

\_\_\_\_\_  
Roy Brown, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

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Jeff Wivholm, Board Member

ATTEST:

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Jennifer Breton, Program Specialist