

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
BILLINGS, MONTANA  
June 15 & 16, 2022

NOTICE OF PUBLIC HEARING

( CONSERVATION AND PREVENTION  
( OF WASTE OF OIL AND GAS

***The Board has returned to normal hearing procedures. Those planning on testifying or presenting should be present at the business meeting or hearing.***

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, June 15, 2022, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana.

The agenda for that meeting is as follows:

1. Call to order
2. Public comment on agenda and non-agenda items
3. Approval of minutes of April 13, 2022, business meeting
4. D90 Energy, LLC
5. Financial report
6. Bond summary & incident report
7. Docket summary
8. Gas flaring exceptions
9. Inactive well review
10. Orphan well and federal grant update
11. Staff reports
12. Other business
13. Adjourn

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, June 16, 2022, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

**Please take note that corporations, partnerships, limited-liability companies (LLCs), or any other legal entity that is not a natural person cannot appear before the Board of Oil and Gas Conservation except through an attorney licensed to practice law in the State of Montana. Failure of a designated and duly licensed legal representative to appear at the time and place identified in this hearing notice may result in imposition of sanctions for failure to appear before the Board.**

Docket 51-2022

**APPLICANT: WHITE ROCK OIL & GAS, LLC – RICHLAND COUNTY, MONTANA**

Upon the application of **White Rock Oil & Gas, LLC** to recomplete the Federal 15-30 well, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 30, T23N-R60E, Richland County, Montana, as an additional Madison Group well in the existing permanent spacing unit comprised of the S $\frac{1}{2}$  of Section 30, T23N-R60E, as an exception to Board Order 51-1979.

Docket 52-2022

**APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION – CARBON, GARFIELD, RICHLAND, ROOSEVELT, ROSEBUD, AND SHERIDAN COUNTIES, MONTANA**

Upon the Board's own motion to require **White Rock Oil & Gas, LLC** is to appear at the June 16, 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, as required by Board Order 92-2021.

Docket 53-2022

**APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND AND ROOSEVELT COUNTIES, MONTANA**

Upon the application of **Kraken Oil & Gas LLC** to create an overlapping temporary spacing unit comprised of all of Sections 4 and 9, T26N-R57E and all of Section 33, T27N-R57E, Richland and Roosevelt Counties, Montana, to drill a horizontal Bakken/Three Forks Formation well anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well commence within one year of the date of the order issued by the Board. The overlapping temporary spacing unit shall be limited to production from the proposed horizontal well, and applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests that Board Order 40-2017 pertaining to Sections 33 and 34, T27N-R57E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Shayla 34-33 #1H well.

Applicant further requests to vacate Board Order 376-2012 that designated a temporary spacing unit comprised of all of Sections 4 and 9, T26N-R57E.

Docket 54-2022

**APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND AND ROOSEVELT COUNTIES, MONTANA**

Upon the application of **Kraken Oil & Gas LLC** to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the overlapping temporary spacing unit comprised of all of Sections 4 and 9, T26N-R57E and all of Section 33, T27N-R57E, Richland and Roosevelt Counties, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 55-2022

**APPLICANT: BEHM ENERGY, INC. – BLAINE COUNTY, MONTANA**

Upon the application of **Behm Energy, Inc.** to create a temporary spacing unit comprised of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , and NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 27, T35N-R20E, Blaine County, Montana, to drill a Sawtooth Formation test well at any location not closer than 330' from the exterior boundaries thereof, as an exception to A.R.M. 36.22.702.

Docket 56-2022

**APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA**

Upon the application of **Lonewolf Operating, LLC** to designate a permanent spacing unit comprised of E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  and W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 32, T35N-R21E, Blaine County, Montana, for the production of oil and associated natural gas from the Sawtooth Formation with respect to the Firemoon #11-32 well.

Docket 57-2022

**APPLICANT: DENBURY ONSHORE LLC – FALLON COUNTY, MONTANA**

Upon the application of **Denbury Onshore LLC** to vacate Board Order 41-2021 and authorize the drilling of a Deadwood Formation oil and gas test well at a proposed well location approximately 440' FNL and 450' FEL in Section 17, T4N-R62E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

Docket 58-2022

**APPLICANT: DENBURY ONSHORE, LLC – FALLON COUNTY, MONTANA**

Upon the application of **Denbury Onshore, LLC** to vacate Board Order 87-2021, which created a pilot enhanced recovery project consisting of portions of Sections 8, 16, 17, 20, 21 of T10N-R58E, and to designate a pilot enhanced recovery project pursuant to A.R.M. 36.22.1229 in the Madison Group including the S½SE¼ and SE¼SW¼ of Section 8, SW¼SW¼ of Section 9, W½ of Section 16, and the E½, E½W½ of Section 17, T10N-R58E, Fallon County, Montana, for a period not to exceed eighteen months from the commencement of injection operations.

Docket 59-2022

**APPLICANT: VECTA OIL & GAS, LTD. – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Vecta Oil & Gas, Ltd.** to create a temporary spacing unit comprised of the W½SW¼ of Section 17 and the E½SE¼ of Section 18, T30N-R48E, Roosevelt County, Montana, to drill a Nisku Formation test well at a proposed location approximately 2,340' FSL and 383' FEL in Section 18, as an exception to Board Order 6-1965. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 60-2022

**APPLICANT: VECTA OIL & GAS, LTD. – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Vecta Oil & Gas, Ltd.** to create a temporary spacing unit comprised of the SE¼ of Section 30, T31N-R48E, Roosevelt County, Montana, to drill a Nisku Formation test well at a proposed location approximately 576' FSL and 1,443' FEL in Section 30, as an exception to Board Order 6-1965. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 61-2022

**APPLICANT: VECTA OIL & GAS, LTD. – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Vecta Oil & Gas, Ltd.** to create a temporary spacing unit comprised of the S½SW¼ of Section 8 and the N½NW¼ of Section 17, T30N-R48E, Roosevelt County, Montana, to drill a Nisku Formation test well at a proposed location approximately 182' FNL and 1,023' FWL in Section 17, as an exception to Board Order 6-1965 and A.R.M. 36.22.702. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 62-2022

**APPLICANT: D&H ENERGY, LLC – TOOLE COUNTY, MONTANA**

Upon the application of **D&H Energy, LLC** to convert the Anderson #1 well (API #25-101-22495) in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 26, T35N-R1W, Toole County, Montana (Kevin East Nisku, Oil Field) to a saltwater disposal well in the Madison Formation at a depth of 2,400-2,435 ft. An aquifer exemption is being requested since the injection zone contains water with less than 10,000 mg/l total dissolved solids. Staff notes this application is eligible for placement on the default docket.

Docket 63-2022

**APPLICANT: CARDINAL OIL, LLC – ROSEBUD COUNTY, MONTANA**

Upon the application of **Cardinal Oil, LLC** to convert the Allen 10-31 22-27-H1 well (API #25-087-21750) in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 22, T10N-R31E, Rosebud County, Montana to a saltwater disposal well in the Heath Formation at a depth of approximately 5,207 ft. Staff notes this application is eligible for placement on the default docket.

Docket 99-2021

Continued from December 2021

**APPLICANT: FALCON ENERGY PARTNERS LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Falcon Energy Partners LLC** to designate a permanent spacing unit comprised of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, T36N-R3W, Toole County, Montana, for the production of oil and associated natural gas from the Middle Bakken Formation with respect to the #1 Simmes Ranch 21-13 well.

Docket 100-2021

Continued from December 2021

**APPLICANT: FALCON ENERGY PARTNERS LLC – TOOLE COUNTY, MONTANA**

Upon the application of **Falcon Energy Partners LLC** to pool all interests in the permanent spacing unit comprised of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, T36N-R3W, Toole County, Montana, for the production of oil and associated natural gas from the Middle Bakken Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the #1 Simmes Ranch 21-13 well.

Docket 28-2022

Continued from April 2022

**APPLICANT: KRAKEN OIL & GAS LLC – ROOSEVELT COUNTY, MONTANA**

Upon the application of **Kraken Oil & Gas LLC** to authorize the drilling of up to three additional horizontal Bakken/Three Forks Formation wells anywhere within the permanent spacing unit comprised of all of Sections 14 and 23, T27N-R57E, Roosevelt County, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof. Default docket requested.

Docket 64-2022

**APPLICANT: EMPIRE NORTH DAKOTA LLC – 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 McGinnis 2R-34 well, API # 25-083-21298, located in the SW¼NE¼NE¼ of Section 34, T26N-R57E, in Richland County, Montana, from **Unit Petroleum Company to Empire North Dakota LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 65-2022

**APPLICANT: W-H PRODUCTIONS LLC –TOOLE 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 16 wells in Toole County, Montana, from **Robert Hawkins, Inc. to W-H Productions LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA. A list of the wells is available online or in the Billings office for review.

Docket 40-2022

Continued from April 2022

**APPLICANT: CHELIN LLC – TOOLE 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 #1 Simmes Ranch 21-13 well, API # 101-24281, located in the NE¼NW¼ of Section 13, T36N-R3W, in Toole County, Montana, from **Falcon Energy Partners LLC to Chelin LLC** and the West Coast Fee 1 well, API # 101-21752, located in the SE¼SW¼ of Section 14, T34N-R4W, Toole County, Montana, from **MLB, LLC to Chelin LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 66-2022

**SHOW-CAUSE HEARING**

**RESPONDENT: JUSTICE SWD, LLC – SHERIDAN COUNTY, MONTANA**

Upon the Board's own motion to require **Justice SWD, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the \$100 fine assessed by the Board for late payment of the annual injection well fee for the Christensen Trust 15-9 saltwater disposal well. Board staff has authority to dismiss the docket if Justice SWD, LLC achieves compliance prior to the June 16, 2022, public hearing.

Docket 67-2022

**SHOW-CAUSE HEARING**

**RESPONDENT: THREE FORKS RESOURCES, LLC – LIBERTY COUNTY, MONTANA**

Upon the Board's own motion to require **Three Forks Resources, LLC**, to appear and show cause, if any it has, why additional penalties should not be imposed for failure to plug and abandon the Utopia 33-13 injection well, API # 25-051-21596, located in the W½NW¼SE¼ of Section 13, T33N-R4E, Liberty County, Montana. Board staff has authority to dismiss the docket if Three Forks Resources, LLC achieves compliance prior to the June 16, 2022, public hearing.

Docket 68-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: BLUEBIRD ENERGY, LLC – ROSEBUD COUNTY, MONTANA**

Upon the Board's own motion to require **Bluebird Energy, LLC** to appear and show cause, if any it has, why additional penalties should not be considered for failure to remedy the field violations at its Flying Monkey 1H well, Section 14, T10N-R34E, Rosebud County, Montana.

Docket 69-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: CARDINAL OIL, LLC – ROSEBUD COUNTY, MONTANA**

Upon the Board's own motion to require **Cardinal Oil, LLC** to appear and show cause, if any it has, why additional penalties should not be considered for failure to remedy the field violations at its Allen 10-31 23-27-H1 well, Section 22, T10N-R31E, Rosebud County, Montana.

Docket 70-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: BIG SKY ENERGY, LLC – CARBON, GOLDEN VALLEY, AND STILLWATER COUNTIES, MONTANA**

Upon the Board's own motion to require **Big Sky Energy, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file injection 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 Big Sky Energy, LLC to further penalties as prescribed by Board Policy.

Docket 71-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: MONTANA LAND & MINERAL CO. – LIBERTY COUNTY, MONTANA**

Upon the Board's own motion to require **Montana Land & Mineral Co.** 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 \$140.00. 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 Montana Land & Mineral Co. to further penalties as prescribed by Board Policy.

Docket 72-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: SEYMOUR, JAMES & LORRAINE – TOOLE COUNTY, MONTANA**

Upon the Board's own motion to require **Seymour, James & Lorraine** 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 \$120.00. 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 Seymour, James & Lorraine to further penalties as prescribed by Board Policy.

Docket 73-2022  
**SHOW-CAUSE HEARING**

**RESPONDENT: STRATEGIC HOLDINGS LLC– ROOSEVELT COUNTY, MONTANA**

Upon the Board's own motion to require **Strategic Holdings 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 \$120.00. 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 Strategic Holdings LLC to further penalties as prescribed by Board Policy.

Docket 108-2021  
**SHOW-CAUSE HEARING**  
Continued from December 2021

**RESPONDENTS: BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC – RICHLAND COUNTY, 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 violations at its Indian Mound 1 well, Section 15, T23N-R55E, Richland County, Montana.

Docket 109-2021  
**SHOW-CAUSE HEARING**  
Continued from December 2021

**RESPONDENTS: BLACK GOLD ENERGY RICHLAND FACILITY, INC. – RICHLAND COUNTY, 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 violations at its Velma SWD 1-10 well, Section 10, T23N-R58E, Richland County, Montana.

Docket 43-2022  
**SHOW-CAUSE HEARING**  
Continued from April 2022

**RESPONDENT: BUTLER PETROLEUM LLC – ROOSEVELT COUNTY, MONTANA**

Upon the Board's own motion to require **Butler Petroleum LLC** to appear and show cause, if any it has, why it should not be required to plug and abandon its EPU 120 well, API # 25-085-21820, located in the SW¼NW¼ of Section 29, T29N-R51E, Roosevelt County, Montana.

BOARD OF OIL AND GAS CONSERVATION

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Jennifer Breton, Program Specialist