

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
February 14 & 15, 2024

NOTICE OF PUBLIC HEARING

(CONSERVATION AND PREVENTION
(OF WASTE OF OIL AND GAS

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, February 14, 2024, 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 December 6, 2023, business meeting
4. Financial report
5. Bond summary & incident report
6. Docket summary
7. Gas flaring exceptions
8. Inactive well review
9. Orphan well and federal grant update
10. Staff reports
11. Other business
12. 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, February 15, 2024, 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 1-2024

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

Upon the application of **White Rock Oil & Gas, LLC** to approve and certify the following wells in Richland County, Montana, as horizontally recompleted wells (recompleted existing horizontal drain holes) entitled to applicable severance tax reductions through the Montana Department of Revenue and to certify production decline rates to be used in the calculation of incremental production. Staff notes this application is eligible for placement on the default docket.

API Number	Well Name	Location	Recompletion Date (Refrac)
25-083-22344	BR 11-14H 54	25N-54E-14	October 2023
25-083-22022	HALVORSEN 31X-19	24N-57E-19	November 2023
25-083-21977	HILL 31X-28	24N-56E-28	November 2023
25-083-22673	JOE 31X-19	24N-57E-19	November 2023
25-083-22068	JOHNSON 34X-9	24N-56E-9	November 2023
25-083-21967	ROBERTS 21X-30	24N-55E-30	October 2023

Docket 2-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to amend Board Orders 18-2020, 2-2022, and 3-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Sections 22, 27, and 34, T26N-R59E must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 3-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 4-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Sections 4, 9, and 16, T24N-R59E, Richland County, Montana must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 4-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 6-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Sections 5, 8, and 17, T24N-R59E, Richland County, Montana must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 5-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 8-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Sections 4, 5, 8, 9, 16, and 17, T24N-R59E, Richland County, Montana must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 6-2024

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 9-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Section 35, T27N-R57E and all of Sections 2 and 11, T26N-R57E, Richland and Roosevelt Counties, Montana must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 7-2024

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 11-2023 to provide that operations for the drilling of a well in the overlapping temporary spacing unit comprised of all of Section 36, T27N-R57E and all of Sections 1 and 12, T26N-R57E, Richland and Roosevelt Counties, Montana must be commenced prior to February 15, 2025. All other provisions in said order remains unchanged and in full force and effect.

Docket 8-2024

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Fred 15-22-27 #2H, Fred 15-22-27 #3H, and Fred 15-22-27 #4H wells.

Docket 9-2024

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 15, 22, and 27, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks 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 Fred 15-22-27 #2H, Fred 15-22-27 #3H, and Fred 15-22-27 #4H wells.

Docket 10-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 16 and 21, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks 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 Hardy 16-21 #2H, Hardy 16-21 #3H, and Hardy 16-21 #4H wells.

Docket 11-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 3 and 10, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks 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 Judith 10-3 #2H and Judith 10-3 #3H wells.

Docket 12-2024

APPLICANT: KRAKEN OIL & GAS LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 15 and 22, T25N-R59E, Richland County, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks 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 Warren 15-22 #2H, Warren 15-22 #3H, and Warren 15-22 #4 wells.

Docket 13-2024

APPLICANT: RIM OPERATING, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Rim Operating, Inc.** to designate a permanent spacing unit comprised of the SW $\frac{1}{4}$ of Section 28 and SE $\frac{1}{4}$ of Section 29, T32N-R58E, Sheridan County, Montana, for the production of oil and associated natural gas from the Red River Formation with respect to the Brethren #43-29 well.

Docket 14-2024

APPLICANT: RIM OPERATING, INC. – SHERIDAN COUNTY, MONTANA

Upon the application of **Rim Operating, Inc.** to pool all interests in the permanent spacing unit comprised of the SW $\frac{1}{4}$ of Section 28 and SE $\frac{1}{4}$ of Section 29, T32N-R58E, Sheridan County, Montana, for the production of oil and associated natural gas from the Red River 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 Brethren #43-29 well.

Docket 15-2024

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

Upon the application of **White Rock Oil & Gas, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 13 and 24, T23N-R56E, Richland County, 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. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests that Board Order 31-1991 pertaining to the W $\frac{1}{2}$ of Section 13, T23N-R56E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Nevins 1-24HR well.

Applicant requests that Board Order 168-2004 pertaining to the E $\frac{1}{2}$ of Section 13 and the N $\frac{1}{2}$ and SW $\frac{1}{4}$ of Section 24, T23N-R56E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Nevins Trust #41X-24 well.

Applicant further requests that statewide spacing unit pertaining to the SE $\frac{1}{4}$ Section 24, T23N-R56E be amended to clarify that said spacing unit is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Prevost 1-24 well.

Docket 16-2024

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

Upon the application of **White Rock Oil & Gas, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 5, 8, and 17, T22N-R59E, Richland County, 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. Applicant will apply for permanent spacing within 90 days of successful well completion.

Applicant requests that Board Order 331-2006 pertaining to Sections 5 and 8, T22N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Simonsen 44X-5 well and that Orders 60-2008 and 60-2023 that authorized an additional well in that spacing unit and amended the setbacks be vacated.

Applicant further requests that Board Order 238-2007 pertaining to Sections 17 and 20, T22N-R59E be amended to clarify that said order is limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Darlene 41X-20 and Marker 34X-20 wells.

Docket 17-2024

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

Upon the application of **White Rock Oil & Gas, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 9, 10, 15, 16, 21, and 22, T22N-R59E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between all of Sections 9, 16, and 21, T22N-R59E and all of Sections 10, 15, and 22, T22N-R59E, with a 200' heel/toe setback to the exterior boundaries thereof. 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.

Docket 18-2024

APPLICANT: EMEP OPERATING, LLC– RICHLAND COUNTY, MONTANA

Upon the application of **EMEP Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 16, 17, 20, and 21, T25N-R53E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between all of Sections 17 and 20 and all of Sections 16 and 21, T25N-R53E, with a 200' heel/toe setback to the exterior boundaries thereof. 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.

Docket 19-2024

APPLICANT: EMEP OPERATING, LLC– RICHLAND COUNTY, MONTANA

Upon the application of **EMEP Operating, LLC** to create an overlapping temporary spacing unit comprised of all of Sections 12 and 13, T25N-R53E and all of Sections 7 and 18, T25N-R54E, Richland County, Montana, to drill a horizontal Bakken/Three Forks Formation well at a location proximate to the common boundary between all of Sections 12 and 13, T25N-R53E and all of Sections 7 and 18, T25N-R54E, with a 200' heel/toe setback to the exterior boundaries thereof. 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.

Docket 20-2024
6-2024 FED

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 14, 23, and 26, T28N-R57E, Roosevelt County, 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 must 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 to vacate Board Order 32-2011 and 15-2011 FED that designated a temporary spacing unit comprised of all of Sections 13 and 14, T28N-R57E.

Applicant further requests to vacate Board Order 35-2011 and 14-2011 FED that designated a temporary spacing unit comprised of all of Sections 23 and 26, T28N-R57E and that Order 423-2011, 13-2012 FED, 466-2011, and 14-2011 FED Amendment #1 that authorized an additional well and amended the setback in that spacing unit be vacated.

Docket 21-2024
7-2024 FED

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 24, and 25, T28N-R57E, Roosevelt County, 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 must 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 Orders 125-2013 and 126-2013 pertaining to Sections 24 and 25, T28N-R57E be amended to clarify that said orders are limited to oil and associated natural gas produced from the Bakken/Three Forks Formation from the Grindland 34X-25C well and that Order 127-2013 that authorized additional wells in that spacing unit be vacated.

Applicant further requests to vacate Board Order 32-2011 and 15-2011 FED that designated a temporary spacing unit comprised of all of Sections 13 and 14, T28N-R57E.

Docket 22-2024
8-2024 FED

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 14, 23, 24, 25, and 26, T28N-R57E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well therein at any location not further than 500' from the common boundary between all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 14, 23, and 26, T28N-R57E with a 200' heel/toe setback to the exterior boundaries thereof, provided that operations for the drilling of said well must 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.

Docket 23-2024
9-2024 FED

APPLICANT: CONTINENTAL RESOURCES INC – ROOSEVELT COUNTY, MONTANA

Upon the application of **Continental Resources Inc** to create an overlapping temporary spacing unit comprised of all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 18, 19, and 30, T28N-R58E, Roosevelt County, Montana, to drill a horizontal Bakken/Three Forks Formation well therein at any location not further than 500' from the common boundary between all of Sections 13, 24, and 25, T28N-R57E, and all of Sections 18, 19, and 30, T28N-R58E with a 200' heel/toe setback to the exterior boundaries thereof, provided that operations for the drilling of said well must 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.

Docket 24-2024

APPLICANT: CLINE PRODUCTION COMPANY – ROSEBUD COUNTY, MONTANA

Upon the application of **Cline Production Company** to convert the Kincheloe 7-19 well (API #25-087-21198) located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 19, T11N-R32E, Rosebud County, Montana (Sumatra Field) to an enhanced recovery injection well in the Tyler B Sand at a depth of approximately 4,548 – 4,614 ft. An aquifer exemption has been 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 25-2024

APPLICANT: HYDRA MT LLC – RICHLAND COUNTY, MONTANA

Upon the application of **Hydra MT, LLC** to convert the Mike 10-1H SWD well (API #25-083-23455) at a surface location at 404' FSL and 1,066' FWL, in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10, T25N-R58E, and a bottom hole location at 421' FSL and 19' FWL, in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10, T25N-R58E a Richland County, Montana (wildcat) to a saltwater disposal well in the Dakota Formation at a depth of approximately 4,943 – 5,893 ft TVD. 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 26-2024

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

Upon the application of **White Rock Oil & Gas, LLC** to convert the Brutus 1-8 well (API #25-083-23009) located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8, T24N-R57E, Richland County, Montana (Lone Tree Field) to a saltwater disposal well in the Dakota at a depth of approximately 5,480 – 5,567 ft and Lakota Formation at a depth of approximately 5,726 – 5,970 ft. An aquifer exemption has been 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 101-2023

Continued from August 2023

APPLICANT: WILDCAT FLUID SOLUTIONS 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 Indian Mound 1 well, API # 25-083-21377, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T23N-55E, Richland County, Montana, from **Black Gold Energy Resource Development, LLC to Wildcat Fluid Solutions LLC** and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.

Docket 27-2024

RESPONDENT: BOOTSTRAP OIL LLC – SHERIDAN COUNTY, MONTANA

Upon the Board's own motion to require **Bootstrap Oil LLC** appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and to pay the administrative penalty assessed for delinquent production and injection reporting. In accordance with Board policy the amount due now is \$220. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Bootstrap Oil LLC to further penalties as prescribed by Board Policy.

Docket 28-2024

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

Upon the Board's own motion to require **Hawley Oil Company** appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and to pay the administrative penalty assessed for delinquent production and injection reporting. In accordance with Board policy the amount due now is \$500. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Hawley Oil Company to further penalties as prescribed by Board Policy.

Docket 29-2024

RESPONDENT: JUSTICE SWD, LLC– SHERIDAN COUNTY, MONTANA

Upon the Board's own motion to require **Justice SWD, LLC** appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and to pay the administrative penalty assessed for delinquent injection reporting. In accordance with Board policy the amount due now is \$120. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Justice SWD, LLC to further penalties as prescribed by Board Policy.

Docket 30-2024

RESPONDENT: YELLOWSTONE PETROLEUMS, INC – GLACIER, PONDERA, TETON, & TOOLE COUNTIES, MONTANA

Upon the Board's own motion to require **Yellowstone Petroleum, Inc** appear and show cause, if any it has, why additional penalties should not be imposed for failure to file reports and to pay the administrative penalty assessed for delinquent production and injection reporting. In accordance with Board policy the amount due now is \$440. This docket will be dismissed if payment and reports are received ten days prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Yellowstone Petroleum, Inc to further penalties as prescribed by Board Policy.

BOARD OF OIL AND GAS CONSERVATION

Jennifer Breton, Program Specialist