

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

UPON THE APPLICATION OF DENBURY OFFSHORE, LLC, FOR APPROVAL OF A PILOT ENHANCED RECOVERY PROJECT IN THE SILURO-ORDOVICIAN FORMATION INVOLVING ALL OF SECTION 30, T11N-R58E, FALLON COUNTY, MONTANA, FOR A PERIOD NOT TO EXCEED EIGHTEEN MONTHS FROM THE COMMENCEMENT OF INJECTION OPERATIONS.

ORDER 107-2015

Docket No. 99-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Denbury Offshore, LLC is authorized to commence a pilot enhanced recovery project in the Siluro-Ordovician Formation involving all of Section 30, T11N-R58E, Fallon County, Montana.

IT IS FURTHER ORDERED that the injection period authorized under this order is limited to 18 months from the date of first injection.

BOARD ORDER NO. 107-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF TRUE OIL LLC TO DRILL UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS AT ANY LOCATION NOT CLOSER THAN 200' (HEEL/TOE SETBACK)/500' (LATERAL SETBACK) WITHIN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T25N-R58E, RICHLAND COUNTY, MONTANA.

ORDER 119-2015

Docket No. 100-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 15-2015.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of True Oil LLC is granted as applied for.

BOARD ORDER NO. 119-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 33 AND 34, T26N-R59E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE LYSEMOSE 33-34 #1H WELL.

ORDER 112-2015

Docket No. 101-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 42-2011. Applicant has completed the Lysemose 33-34 #1H well as a producing well.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 33 and 34, T26-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Lysemose 33-34 #1H well.

BOARD ORDER NO. 112-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 33 AND 34, T26N-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 LYSEMOSE 33-34 #1H WELL.

ORDER 113-2015

Docket No. 102-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 112-2015. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-202, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 33 and 34, T26N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Lysemose 33-34 #1H well.

BOARD ORDER NO. 113-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T27N-R57E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS FORMATION WITH RESPECT TO THE HIGGINS 13-24 #1H WELL.

ORDER 114-2015

Docket No. 103-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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:

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 opportunity to present evidence, oral and documentary.
2. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 212-2010. Applicant has completed the Higgins 13-24 #1H well as a producing well.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 13 and 24, T27N-R57E, Roosevelt County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Higgins 13-24 #1H well.

BOARD ORDER NO. 114-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T27N-R57E, ROOSEVELT 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 HIGGINS 13-24 #1H WELL.

ORDER 115-2015

Docket No. 104-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 114-2015. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-202, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 13 and 24, T27N-R57E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Higgins 13-24 #1H well.

BOARD ORDER NO. 115-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 31 AND 32, T26N-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, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL MUST COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 120-2015

Docket No. 105-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

BOARD ORDER NO. 120-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, 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 6-2006 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 21 AND 28, T26N-R59E, RICHLAND COUNTY, MONTANA, 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. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 121-2015

Docket No. 106-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

BOARD ORDER NO. 121-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 9 AND 16, T26N-R59E, RICHLAND AND 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. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 116-2015

Docket No. 107-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 9 and 16, T26N-R59E, Richland and Roosevelt County, Montana, is designated a temporary spacing unit to drill a horizontal Bakken/Three Forks Formation wells anywhere within said temporary spacing unit at any location 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 be commenced within one year of the date of this order.

BOARD ORDER NO. 116-2015

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO VACATE BOARD ORDER 277-2010 AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 8 AND 17, T26N-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, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL MUST BE COMMENCED WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 117-2015

Docket No. 108-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 8 and 17, T26N-R59E, Richland County, Montana, is designated a temporary spacing unit to drill a horizontal Bakken/Three Forks Formation wells anywhere within said temporary spacing unit at any location 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 be commenced within one year of the date of this order.

BOARD ORDER NO. 117-2015

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, 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 266-2014 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T25N-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. OPERATIONS MUST COMMENCE WITHIN ONE YEAR OF AUGUST 14, 2015. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 122-2015

Docket No. 109-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

BOARD ORDER NO. 122-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, 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 204-2014 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T25N-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. OPERATIONS MUST COMMENCE WITHIN ONE YEAR OF JUNE 19, 2015. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 123-2015

Docket No. 110-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Kraken Oil & Gas LLC is granted as applied for.

BOARD ORDER NO. 123-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF WOLF OPERATING, LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE W $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 14 AND THE E $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 15, T30N-R52E, ROOSEVELT COUNTY, MONTANA, FOR THE PURPOSE OF DRILLING A NISKU FORMATION TEST WELL WITHIN SAID TEMPORARY SPACING UNIT AT A PROPOSED LOCATION APPROXIMATELY 3,605' FNL AND 472' FEL IN SECTION 15, AS AN EXCEPTION TO A.R.M. 36.22.702. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 108-2015

Docket No. 111-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 14 and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 15, T30N-R52E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Nisku Formation test well at the proposed location of approximately 3,605' FNL and 472' FEL in Section 15.

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

BOARD ORDER NO. 108-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF WOLF OPERATING, LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 22, T30N-R52E, ROOSEVELT COUNTY, MONTANA, FOR THE PURPOSE OF DRILLING A NISKU FORMATION TEST WELL WITHIN SAID TEMPORARY SPACING UNIT AT A PROPOSED LOCATION APPROXIMATELY 2,086' FNL AND 438' FEL IN SECTION 22, AS AN EXCEPTION TO A.R.M. 36.22.702. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 109-2015

Docket No. 113-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22, T30N-R52E, Roosevelt County, Montana, is designated a temporary spacing unit to drill a Nisku Formation test well at the proposed location of approximately 2,086' FNL and 438' FEL in Section 22.

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

BOARD ORDER NO. 109-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF MALSAM FAMILY, LLC AND TODD MALSAM, FOR A COMPLAINT AGAINST J. BURNS BROWN OPERATING CO., JOHN BROWN, JR., AND TRAVIS BROWN FOR FAILURE TO PROVIDE NOTICE WITHIN 180 DAYS OF ACTIVITY THAT DISTURBS THE LAND SURFACE AND INADEQUACY OF THE REQUIRED NOTICE THAT IS IN VIOLATION OF SECTION 82-10-503(1), M.C.A., FAILURE TO NEGOTIATE A SURFACE USE DAMAGE AGREEMENT IN GOOD FAITH THAT IS IN VIOLATION OF SECTION 82-10-504(1)(A), M.C.A., AND FAILURE TO ADEQUATELY RECLAIM THE WELL SITE AS REQUIRED BY THE PERMIT TO DRILL.

ORDER 111-2015

Docket No. 114-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Malsam Family, LLC and Todd Malsam (collectively Malsam) filed an application against J. Burns Brown Operating Co., John Brown, Jr., and Travis Brown (collectively Brown) alleging violation of the 180-day notice period in §82-10-503(1), MCA, alleging violation of the adequacy of the notice under §82-10-503(1), MCA, and alleging other violations related to negotiation and compensation for surface damage.
3. At the hearing, Malsam was represented by attorney Tom Towe and Brown was represented by attorney Loren J. O'Toole III. Malsam testified that it filed a parallel lawsuit regarding the same subject matter on October 27, 2014, in the Montana 17th Judicial District Court, cause number DV 2014-43. No documentation from that lawsuit was offered into evidence.
4. Malsam is the surface owner where the Malsam 21-34-20B well is located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21, T34N-R20E in Blaine County, Montana. The well is operated by Brown.
5. On April 2, 2014, Malsam received written notification of the Brown's intent to drill a well. The notice included a copy of §82-10-503 and a copy of "A Guide to Split Estates in Oil and Gas Development".
6. The 180-day notice period to commence activity that disturbs the land surface expired on September 29, 2014. The first disturbance to the land surface occurred on October 3, 2014, 184 days after written notice was received by Malsam.

BOARD ORDER NO. 111-2015

7. Malsam argued that the 184 day delay between receipt of written notification and disturbance of the land surface violated the 180-day notice period. Brown argued that the 180-day notice period should be extended 9 days, the period of time that Malsam denied Brown's surveyor access to the drilling location.

8. Board staff testified that an inspection performed on April 20, 2015, found the surface location of the well to be in compliance with the approved permit conditions and Board rules.

9. 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

1. Section 82-10-510, MCA, establishes the Board's jurisdiction to address violations of the notice requirement of §82-10-503, MCA.

2. Disputes related to negotiation and compensation for surface damage must be addressed by a district court under §82-10-508, MCA.

3. The 184 day delay between Malsam's receipt of adequate written notification and Brown's disturbance of the land surface violated the 180-day notice period §82-10-503 MCA.

4. Section 82-11-147(1)(b), MCA, authorizes the Board to assess a civil penalty for violation of the notice requirement of §82-10-503, MCA.

5. The Board concludes that Malsam demonstrated the notice requirements of §82-10-503, MCA, were not met and a civil penalty should be assessed against Brown for the notice violation.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that J. Burns Brown Operating Co. will be fined \$100.00 per day for the four days between the expiration of the required 180-day notice period and the commencement of activity that disturbed the land surface.

BOARD ORDER NO. 111-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Ronald S. Efta, Board Member

John Evans, Board Member

Peggy Ames Nerud, Board Member

I dissent

Steven Durrett, Board Member

Paul Gatzemeier, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF PETRO-SENTINEL LLC, FOR AN ORDER REMOVING ANTELOPE RESOURCES, INC. AS THE RECOGNIZED OPERATOR OF THE THOMAS CINDERELLA 1-XR WELL LOCATED IN MUSSELSHELL COUNTY, MONTANA, AND SUBSTITUTING AND RECOGNIZING PETRO-SENTINEL LLC AS THE OPERATOR OF SAID WELL.

ORDER 110-2015

Docket No. 115-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. This application involved a request to transfer plugging, reclamation, and reporting responsibility for the Thomas-Cinderella 1-XR well located in T10N-R25E, Section 9, Musselshell County, Montana from Antelope Resources, Inc. to Petro-Sentinel LLC.
3. Gary Thomas, leasehold mineral owner of the lands in the Thomas Cinderella 1XR well, appeared in support of the request.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant has demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that staff is authorized to approve the Change of Operator request for the Thomas Cinderella 1 XR well as submitted by Petro-Sentinel LLC.

BOARD ORDER NO. 110-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF STATOIL OIL & GAS LP TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 6 AND 7, T26N-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 STORVIK 7-6 #2H WELL.

ORDER 118-2015

Docket No. 46-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 42-2012. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-202, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 6 and 7, T26N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Storvik 7-6 #2H well.

BOARD ORDER NO. 118-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE PRIDE ENERGY COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT BE REQUIRED TO IMMEDIATELY PLUG THE MABLE WILSON 1 WELL LOCATED IN T27N, R59E, SECTION 33, ROOSEVELT COUNTY, MONTANA AND RESTORE THE LOCATION.

ORDER 124-2015

Docket No. 120-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Pride Energy Company (Pride).
3. Pride submitted a Notice of Intent to plug and abandon the Mable Wilson 1 well along with a written statement indicating the plugging of the well would occur prior to July 31, 2015.
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 of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 120-2015 is continued until the August 13, 2015 public hearing.

BOARD ORDER NO. 124-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE CUSTOM CARBON PROCESSING, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE MAINTAIN THE WELLSITES OF THE WOJAHN A 5-2 WELL LOCATED IN SECTION 2, T13N, R60E, AND THE MICHELS A 8-3 WELL LOCATED IN SECTION 3, T13N, R60E, WIBAUX COUNTY, MONTANA.

ORDER 125-2015

Docket No. 121-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. Member Ron Efta recused himself and took no part in this matter. 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 and 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 opportunity to present evidence, oral and documentary.
2. Joe Bowen appeared on behalf USA Energy who will be purchasing the wells from Custom Carbon Processing, Inc. (Custom). Mr. Bowen stated cleanup will begin immediately on the Wojahn A 5-2 well and the Michels A 8-3 well. He expects work to be completed prior to July 1, 2015.
3. Staff noted that a Change of Operator request would not be processed until the violations are remedied.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Custom Carbon Processing, Inc. remedy the violations on or before July 1, 2015.

IT IS FURTHER ORDERED that Custom Carbon Processing, Inc. is subject to a \$250.00 fine for each day after July 1, 2015 that the violations remain unresolved.

IT IS FURTHER ORDERED that Custom Carbon Processing, Inc. is fined \$1,000.00 for failure to address the violations prior to the May 21, 2015 deadline.

BOARD ORDER NO. 125-2015

IT IS FURTHER ORDERED that Custom Carbon Processing, Inc. appear at the Board's August 13, 2015 hearing to report its progress.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE COASTAL PETROLEUM COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO PROPERLY RECLAIM THE STATE 7-16 WELL SITE LOCATED IN SECTION 16, T36N, R36E, VALLEY COUNTY, MONTANA.

ORDER 126-2015

Docket No. 122-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Coastal Petroleum Company (Coastal).
3. The State 7-16 well located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, T36N, R36E, Valley County, Montana was plugged and abandoned on October 18, 2012, and the well site has not been reclaimed. Coastal Petroleum Company was notified of the violation by certified mail on March 30, 2015. The certified letter was returned as undeliverable.
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 of Oil and Gas Conservation of the State of Montana concludes that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have not been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Coastal Petroleum Company appear at the August 13, 2015 public hearing and show-cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to properly reclaim the location of the State 7-16 well.

BOARD ORDER NO. 126-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE K2 AMERICA CORPORATION TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS WELLS AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE PRODUCTION REPORTS, FAILURE TO PAY EXISTING PENALTIES, AND FAILURE TO APPEAR AT THE BOARD'S FEBRUARY 26, 2015 PUBLIC HEARING.

ORDER 127-2015

Docket No. 338-2014

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of K2 America Corporation (K2).
3. K2 paid outstanding fines in the amount of \$1,220.00 and filed all delinquent production reports. K2 indicated by email that it intended to comply with reporting requirements in the future and requested additional time to plug or transfer the wells that remain on its plugging and reclamation bond.
4. Staff recommended the docket be continued until June 2016, or the next public hearing thereafter, unless K2 fails to remain in compliance prior to that date.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 338-2014 is continued until June, 2016 or the next public hearing thereafter.

BOARD ORDER NO. 127-2015

IT IS FURTHER ORDERED that Docket 338-2014 be rescheduled immediately should K2 fail to comply with reporting or other regulatory requirements at any time prior to June 2016.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE WEXCO EXPLORATION, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PLUG ITS GUENTHER 2-8 WELL, API: 25-091-21565, SECTION 8, T33N-R58E, AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE CORRECT PRODUCTION REPORTS AND FAILURE TO APPEAR IN RESPONSE TO PRIOR SHOW CAUSE ORDERS.

ORDER 128-2015

Docket No. 362-2014

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Wexco Exploration, LLC (Wexco).
3. Staff reported that Impact Global Resources (Global) is now the approved operator of the Geunther 2-8 well and recommended the docket be dismissed.
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 of Oil and Gas Conservation of the State of Montana concludes that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 362-2014 is dismissed.

BOARD ORDER NO. 128-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE CAVALIER PETROLEUM TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS WELLS AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING AND THE FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S FEBRUARY 26, 2015 PUBLIC HEARING.

ORDER 129-2015

Docket No. 34-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Cavalier Petroleum (Cavalier).
3. Cavalier failed to pay the outstanding fines in the amount of \$1,560.00, has not filed the delinquent production reports, and has not provided a plan for the abandonment and restoration of its wells.
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 of Oil and Gas Conservation of the State of Montana concludes that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have not been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Cavalier Petroleum appear at the August 13, 2015 public hearing and show-cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to properly plug its wells or provide a timeline for the proper plugging and reclamation of its wells.

BOARD ORDER NO. 129-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE KELLY OIL AND GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND COVERING THE STATE E-2 WELL SHOULD NOT BE FORFEITED AND WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY \$3,120.00 IN CURRENT PENALTIES AND FEES; FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY ON THE STATE #1, STATE E-2, AND SHELHAMER 1A INJECTION WELLS, FOR FAILURE TO INITIATE A REMEDY FOR THE FIELD VIOLATIONS PRIOR TO THE MAY 21, 2015 HEARING DEADLINE FOR THE STENSVAD 2X-25 AND DYBVIK KV-1 WELLSITES, FOR FAILURE TO RESPOND TO PRIOR SHOW-CAUSE ORDERS, AND FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS.

ORDER 130-2015

Docket No. 95-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Kelly Gebhardt appeared on behalf of Kelly Oil and Gas, LLC (Kelly) and requested time to address the violations and pay the outstanding fees and penalties.
3. Staff recommended no additional fines be assessed to Kelly, as long as Kelly commences cleanup operations immediately on the Dybvik KV-1 and Stensvad 2X-25 wells, provides a plan to repair or plug the State E-2 injection well, and files delinquent production and injection reports.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

BOARD ORDER NO. 130-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Kelly Oil and Gas, LLC is to appear at the August 13, 2015 public hearing.

IT IS FURTHER ORDERED that Kelly Oil and Gas, LLC remedy the violations at the Dybvik KV-1 and Stensvad 2X-25 wells.

IT IS FURTHER ORDERED that Kelly Oil and Gas, LLC submit a plan to repair or plug the State E-2 injection well by the August 13, 2015 public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE ALTURAS ENERGY LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS WELLS, AND FOR FAILURE TO PAY THE FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S APRIL 30, 2015 HEARING.

ORDER 131-2015

Docket No. 96-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Martin Cox appeared on behalf of Alturas Energy LLC (Alturas) and requested time to address the violations at its Degn 29-44, Bass Marker 20-33, Scheetz 21-1, Andrew Petersen 28-1, and Sundheim 14-15 wells.
3. Staff recommended Alturas remedy field violations, file delinquent production reports, file Sundry Notices by August 1, 2015 for wells intended to be plugged, pay the \$1,000.00 fine by July 1, 2015, and appear at the August 13, 2015 public meeting to report its progress.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

BOARD ORDER NO. 131-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Alturas Energy is to come into full compliance with field violations by August 1, 2015 and appear at the August 13, 2015 public hearing to report its progress.

IT IS FURTHER ORDERED that Alturas Energy LLC is to pay the outstanding fine of \$1,000.00 by July 1, 2015.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE AUGUSTA EXPLORATION, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS KRONE-AUGUSTA 31-32 WELL, API # 25-049-21111, LOCATED IN SECTION 32, T18N-R5W, LEWIS AND CLARK COUNTY, MONTANA AND WHY ADDITIONAL PENALTIES SHOULDN'T BE ASSESSED FOR FAILURE TO APPEAR AT THE BOARD'S APRIL 30, 2015 HEARING.

ORDER 132-2015

Docket No. 97-2015

Report of the Board

The above entitled cause came on regularly for hearing on June 25, 2015 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. Vice-Chair Wayne Smith was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Augusta Exploration, LLC (Augusta).
3. A federal court order, issued in the District of North Dakota, has frozen the assets of Augusta Exploration, LLC.
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 of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 97-2015 is continued until the August 13, 2015 public hearing.

BOARD ORDER NO. 132-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 25th day of June, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

John Evans, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist