

# Montana Board of Oil & Gas Conservation Proposed Meeting Schedule 2016

KEY	
FILING DEADLINE	◻
MEETING/HEARING	◻
HOLIDAYS	◊

**JANUARY**

S	M	T	W	TH	F	S
					◊ 1	2
3	4	5	6	◻ 7	8	9
10	11	12	13	14	15	16
17	◊ 18	19	20	21	22	23
24 <sup>1</sup> / <sub>31</sub>	25	26	27	28	29	30

**FEBRUARY**

S	M	T	W	TH	F	S
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14	◊ 15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

**MARCH**

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

**APRIL**

S	M	T	W	TH	F	S
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24	25	26	27	28	29	30

**MAY**

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	◊ 30	31			

**JUNE**

S	M	T	W	TH	F	S
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11	12	13	14	◻ 15	◻ 16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

**JULY**

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24 <sup>1</sup> / <sub>31</sub>	25	26	27	28	29	30

**AUGUST**

S	M	T	W	TH	F	S
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21	22	23	24	25	26	27
28	29	30	31			

**SEPTEMBER**

S	M	T	W	TH	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	◻ 22	23
24	25	26	27	28	29	30

**OCTOBER**

S	M	T	W	TH	F	S
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9	◊ 10	11	12	13	14	15
16	17	18	19	20	21	22
23 <sup>1</sup> / <sub>30</sub>	24 <sup>1</sup> / <sub>31</sub>	25	◻ 26	◻ 27	28	29

**NOVEMBER**

S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	◊ 8	9	◻ 10	◊ 11	12
13	14	15	16	17	18	19
20	21	22	23	◊ 24	25	26
27	28	29	30			

**DECEMBER**

S	M	T	W	TH	F	S
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24	25	◊ 26	27	28	29	30
31						

**MONTANA BOARD OF OIL AND GAS CONSERVATION  
FINANCIAL STATEMENT  
As of 10/20/2015  
Fiscal Year 2016: Percent of Year Elapsed - 33%**

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,288,795	267,284	1,021,511	0.21
UIC	Personal Services	<u>191,043</u>	<u>36,450</u>	<u>154,593</u>	0.19
	Total Expends	1,479,838	303,733	1,176,105	0.21
Regulatory	Equipment & Assets	39,477	-	39,477	0.00
UIC	Equipment & Assets	<u>17,073</u>	-	<u>17,073</u>	0.00
	Total Expends	56,550	-	56,550	0.00
Regulatory	Contracted Services	175,279	38,913	136,366	0.22
	Supplies	48,500	9,981	38,519	0.21
	Communication	71,819	12,012	59,807	0.17
	Travel	38,000	6,930	31,070	0.18
	Rent	33,000	10,886	22,114	0.33
	Utilities	15,000	5,224	9,776	0.35
	Repair/Maintenance	15,620	6,115	9,505	0.39
	Other Expenses	<u>20,000</u>	<u>1,342</u>	<u>18,658</u>	0.07
	Total Operating Expenses	417,218	91,403	325,815	0.22
UIC	Contracted Services	14,973	1,012	13,961	0.07
	Supplies	12,561	661	11,900	0.05
	Communication	12,000	666	11,334	0.06
	Travel	9,213	-	9,213	0.00
	Rent	3,000	435	2,565	0.15
	Utilities	7,000	594	6,406	0.08
	Repair/Maintenance	9,000	772	8,228	0.09
	Other Expenses	<u>13,876</u>	<u>8</u>	<u>13,868</u>	0.00
	Total Operating Expenses	81,623	4,148	77,475	0.05
	Total Expends	<b>498,844</b>	<b>95,551</b>	403,293	0.19

Based on Standard Budget (S.B.) - using rounded numbers in Operating/ODJ instead to be consistent with S.B.

	Budget	Expends	Remaining	%
Carryforward FY14				
Personal Services	20,331	-	20,331	0.00
Operating Expenses	30,497	-	30,497	0.00
Equipment & Assests	<u>50,828</u>	-	<u>50,828</u>	0.00
Total	101,656	-	101,656	0.00

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2016 Total Budget	2016 Total Expends	%
State Special	1,745,490	358,687	289,739	40,597	2,035,229	399,284	0.20
Federal 2016 UIC (10-1-2015 to 9-30-2016)			<u>109,000</u>		<u>109,000</u>	-	-
Total	1,745,490	358,687	398,739	40,597	2,144,229	399,284	0.19

Federal 2016 Budget - is based off of Federal 2015-16 and 2015 Expends is based off of S.B. 2015

<b>REVENUE INTO STATE SPECIAL REVENUE ACCOUNT as of 10/20/15</b>			
		FY 16	FY 15
Oil & Gas Production Tax	\$	-	\$ 1,062,153
*Oil Production Tax			78,950
*Gas Production Tax			983,203
Drilling Permit Fees		4,850	39,925
UIC Permit Fees		-	231,890
Interest on Investments		1,438	5,616
Copies of Documents		770	4,448
Miscellaneous Reimbursements		-	13,000
<b>TOTAL</b>	<b>\$</b>	<b>7,058</b>	<b>\$ 2,419,184</b>
<i>*FY 15 does not include the 4th quarter sales</i>			

<b>REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 10/20/15</b>			
		FY 16	FY 15
RIT Investment Earnings	\$	89,780	\$ -
Bond Forfeitures		-	45,128
Interest on Investments		205	588
<b>TOTAL</b>	<b>\$</b>	<b>89,986</b>	<b>\$ 45,716</b>

<b>INVESTMENT ACCOUNT BALANCES as of 10/20/15</b>		
Regulatory Account	\$	3,052,255
Damage Mitigation Account	\$	563,761

<b>REVENUE INTO GENERAL FUND FROM FINES as of 10/20/15</b>			FY 16
BENSUN ENERGY	7/17/2015	\$	120
CCG LLC / GRYNBERG, JACK	7/17/2015		70
HOFLAND JAMES D. / J. H OIL COMPANY	7/17/2015		210
ALTURAS ENERGY LLC	7/24/2015		1,000
GRAY WOLF PRODUCTION COMPANY INC	7/24/2015		100
ROARK, DANIEL/TINA / DANIELSON, PATRICIA	7/31/2015		140
STATOIL OIL AND GAS LP	7/31/2015		70
SONKAR INC	8/5/2015		70
RIMROCK COLONY INC.	8/14/2015		130
KLANIKA KENNETH / STATOIL OIL AND GAS LP	8/14/2015		70
MONTANA OIL FIELD ADQUISITION	8/21/2015		360
MONTANA OIL FIELD ADQUISITION	8/21/2015		360
MONTANA OIL FIELD ADQUISITION	8/24/2015		360
J BURNS BROWN OPERATING COMPANY	9/4/2015		400
MONTANA LAND AND MINERAL COMPANY	10/2/2015		60
BALKO INC	10/2/2015		530
<b>TOTAL</b>		<b>\$</b>	<b>4,050</b>

**GRANT BALANCES - 10/20/15**

<u>Name</u>	<u>Authorized Amt*</u>	<u>Expended</u>	<u>Balance</u>	<u>Expiration Date</u>
2011 Southern - Tank Battery2 RIT 12-8723	\$ 204,951	\$ 166,548	\$ 38,403	9/30/2016
2011 Northern/Eastern RIT 13-8753	332,642	203,004	129,638	12/31/2015
TOTAL	\$ 537,593	\$ 369,552	\$ 168,041	

\* includes match requirement for grant

**CONTRACT BALANCES - 10/20/15**

	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
MT Tech - Elm Coulee EOR Study (MOU 127220)	\$ 863,905	\$ 474,270	\$ 389,635	Under Contract	12/31/2017
MT Tech - Survey of Native Proppant (SNaP)	383,101	345,512	37,589	Under Contract	12/31/2015
Agency Legal Services (ALS - Legal) (ALS-2016)	25,000	8,757	16,243	Under Contract	6/30/2016
Automated Maintenance Services, Inc. (OG-AMS-149)	24,197	5,252	18,945	Under Contract	6/30/2016
Central Avenue Mall FY '16 (9/1/15 - 8/31/16)	400	400	-	Completed	8/31/2016
Central Avenue Mall FY '17 (9/1/16 - 8/31/17)	400	-	400	Under Contract	8/31/2017
HydroSolutions - EPA Primacy Class VI Injection (DNR12-2558T)	57,156	56,392	764	Under Contract	5/31/2016
TOTAL	\$ 1,354,159	\$ 890,583	\$ 463,576		

**Agency Legal Services Expenditures in FY16**

<u>Case</u>	<u>Amt Spent</u>	<u>Last Svc Date</u>
BOGC Duties	\$ 7,142	10/13/2015
Hekkel	65	9/18/2015
CCRC	405	10/13/2015
Omimex	954	10/13/2015
Ostby	191	8/18/2015
Total	\$ 8,757	

Bond Report

Incident Report

Carbon Sequestration Rule Adoption

## Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/11/2015 Through 10/27/2015

### Approved

Big Gully Oil, LLC Roundup MT	793 G1	Approved	10/1 /2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Wells Fargo Bank Montana	ACT
Big Gully Oil, LLC Roundup MT	793 G2	Approved	10/1 /2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Wells Fargo Bank Montana	ACT
Big Gully Oil, LLC Roundup MT	793 G3	Approved	10/1 /2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	Wells Fargo Bank Montana	ACT
Caliber North Dakota LLC Denver CO	791 T1	Approved	8/21/2015
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond
Surety Bond	\$10,000.00	Argonaut Insurance Company	ACT
Croft Petroleum Co. Cut Bank MT	1720 GB	Approved	9/8/2015
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$5,000.00	FIRST STATE BANK OF SHELBY	ACT
Foundation Energy Management, LLC Dallas TX	794 M1	Approved	10/27/2015
		Amount:	\$50,000.00
		Purpose:	Multiple Well Bond
Surety Bond	\$50,000.00	U.S. Specialty Insurance Co.	ACT
Morken Production LLC Dagmar MT	792 G1	Approved	8/26/2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	ROCKY MOUNTAIN BANK PLENTYWOOD	ACT
Morken Production LLC Dagmar MT	792 G2	Approved	8/26/2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	ROCKY MOUNTAIN BANK PLENTYWOOD	ACT
Morken Production LLC Dagmar MT	792 G3	Approved	8/26/2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	ROCKY MOUNTAIN BANK PLENTYWOOD	ACT
Morken Production LLC Dagmar MT	792 G4	Approved	8/26/2015
		Amount:	\$10,000.00
		Purpose:	Single Well Bond
Certificate of Deposit	\$10,000.00	ROCKY MOUNTAIN BANK PLENTYWOOD	ACT

# Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/11/2015 Through 10/27/2015

## Approved

Morken Production LLC Dagmar MT	792 T1		Approved Amount: Purpose:	9/1/2015 \$10,000.00 UIC Single Well Bond
Certificate of Deposit	\$10,000.00	ROCKY MOUNTAIN BANK PLENTYWOOD		ACT
Nautilus Poplar LLC Denver CO	531 M1		Approved Amount: Purpose:	9/16/2015 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00	Lexon Insurance Company		ACT
Weil Oil LLC Richmond VA	748 G2		Approved Amount: Purpose:	9/23/2015 \$10,000.00 Single Well Bond
Certificate of Deposit	\$10,000.00	FIRST STATE BANK OF SHELBY		ACT

## Released

Cambrian Management, Ltd Midland TX	743 G1		Released Amount: Purpose:	9/9/2015 \$10,000.00 Single Well Bond
Enclave Operating, LLC Shelby MT	579 M1		Released Amount: Purpose:	10/15/2015 \$50,000.00 Multiple Well Bond
Endeavour Operating Corporation Houston TX	654 M1		Released Amount: Purpose:	10/7/2015 \$50,000.00 Multiple Well Bond
Grey Wolf Production Company, Inc. Garnett KS	3105 B1		Released Amount: Purpose:	9/28/2015 \$25,000.00 Blanket Bond
Hawkins, Robert S. Kevin MT	3300 M1		Released Amount: Purpose:	9/11/2015 \$25,000.00 Multiple Well Bond
Macum Energy Inc. Billings MT	4550 W9		Released Amount: Purpose:	10/26/2015 \$10,000.00 Single Well Bond
Nadel and Gussman Rockies, LLC Tulsa OK	470 T1		Released Amount: Purpose:	9/14/2015 \$10,000.00 UIC Single Well Bond
Nadel and Gussman Rockies, LLC Tulsa OK	470 M1		Released Amount: Purpose:	9/14/2015 \$50,000.00 Multiple Well Bond
Nautilus Poplar LLC Denver CO	531 M1		Released Amount: Purpose:	9/17/2015 \$50,000.00 Multiple Well Bond
Surety Bond	\$50,000.00	Lexon Insurance Company		ACT

# Montana Board of Oil and Gas Conservation Summary of Bond Activity

8/11/2015 Through 10/27/2015

## Released

Windy Butte Reclamation Facility, LLC  
Bainville MT

695 T2

Released

10/13/2015

Amount:

\$10,000.00

Purpose:

UIC Single Well Bond

Zodiac Montana, LLC  
Calgary AB

768 G1

Released

8/17/2015

Amount:

\$5,000.00

Purpose:

Single Well Bond

## Incident Report

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Continental Resources Inc	BOG	1/1/2015	Spill or Release	4 Gallons		Flare Pit	No	47.88306	-104.62286	Richland	25N-55E-28 SESW
Denbury Onshore, LLC	FED	1/2/2015	Spill or Release		8 Barrels	Tank or Tank Battery	Yes	46.11315	-104.05363	Fallon	4N-62E-8 SWSW
Denbury Onshore, LLC	BOG	1/2/2015	Spill or Release	2 Barrels	5 Barrels	Well Head	Yes	46.44434	-104.31494	Fallon	8N-59E-14 NESW
EOG Resources, Inc.	BOG	1/5/2015	Spill or Release		20 Barrels	Tank or Tank Battery	No	48.21738	-104.30575	Roosevelt	29N-57E-33 SESE
Continental Resources Inc	BOG	1/7/2015	Spill or Release		154 Barrels	Tank or Tank Battery	Yes	47.73170	-104.50499	Richland	23N-56E-26 NWNW
Anadarko Minerals, Inc.	FED	1/8/2015	Spill or Release		110 Barrels	Tank or Tank Battery	Yes	48.41997	-106.04504	Valley	31N-44E-30 NENE
Continental Resources Inc	BOG	1/10/2015	Spill or Release		174 Barrels	Tank or Tank Battery	Yes	47.73170	-104.50499	Richland	23N-56E-26 NWNW
Hofland, James D.	BOG	1/12/2015	Spill or Release	8 Barrels		Flow Line - Production	No	48.81061	-111.95565	Toole	35N-3W-11 NWNE
True Oil LLC	BOG	1/12/2015	Fire	20 Barrels		Tank or Tank Battery	Yes	46.84148	-107.52696	Rosebud	13N-33E-34 NWSW
Denbury Onshore, LLC	BOG	1/14/2015	Spill or Release	3 Barrels	110 Barrels	Flow Line - Production	No	46.33791	-104.24707	Fallon	7N-60E-30 NWNE
Poor Boy Oil, LLP	BOG	1/14/2015	Spill or Release		25 Gallons	Tank or Tank Battery	Yes	47.81771	-104.18282	Richland	24N-59E-29 NWNW
Bad Water Disposal, LLP	BOG	1/15/2015	Spill or Release		1 Barrels	Tank or Tank Battery	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
SDOCO, LLC	BOG	1/18/2015	Spill or Release	1 Barrels	35 Barrels	Tank or Tank Battery	Yes	46.67190	-107.65522	Rosebud	11N-32E-26 SESE
XTO Energy Inc.	BOG	1/20/2015	Spill or Release		3 Barrels	Tank or Tank Battery	Yes	47.82069	-104.71284	Richland	24N-55E-19 SESW
Continental Resources Inc	BOG	1/21/2015	Spill or Release	2 Barrels		Tank or Tank Battery	Yes	48.15639	-104.36545	Roosevelt	28N-57E-28 NENW
XTO Energy Inc.	BOG	1/23/2015	Spill or Release	6 Barrels		Tank or Tank Battery	Yes	47.70747	-104.37739	Richland	23N-57E-35 SWSW
Bad Water Disposal, LLP	BOG	1/26/2015	Spill or Release	10 Barrels	10 Barrels	Tank or Tank Battery	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
Continental Resources Inc	BOG	1/27/2015	Spill or Release	3 Barrels	Barrels	Flow Line - Production	No	47.80408	-104.88285	Richland	24N-53E-35 NENW
Continental Resources Inc	BOG	1/28/2015	Spill or Release	1 Barrels		Flow Line - Production	No	47.81180	-104.88209	Richland	24N-53E-26 NWSE
Denbury Onshore, LLC	BOG	2/2/2015	Spill or Release		21 Gallons	Vessel/Container	Yes	46.98581	-104.78775	Dawson	14N-55E-8 SENW
Denbury Onshore, LLC	BOG	2/7/2015	Spill or Release	15 Barrels	5 Barrels	Tank or Tank Battery	No	46.41723	-104.30816	Fallon	8N-59E-26 SWNE
Encore Energy Partners Operating LLC	BOG	2/12/2015	Fire	1 Barrels		Tank or Tank Battery	Yes	47.80360	-104.10871	Richland	24N-59E-35 NWNE
Denbury Onshore, LLC	FED	2/18/2015	Spill or Release		15 Barrels	Well Head	Yes	46.73386	-104.54694	Wibaux	11N-57E-4 NESE
Shadwell Resources Group, LLC	BOG	2/24/2015	Spill or Release	100 Barrels	1000 Barrels	Tank or Tank Battery	No	47.77552	-104.26780	Richland	23N-58E-10 NWNW
XTO Energy Inc.	BOG	2/24/2015	Spill or Release		38 Barrels	Tank or Tank Battery	Yes	47.66266	-104.04578	Richland	22N-60E-17 SESW
Denbury Onshore, LLC	BOG	2/26/2015	Spill or Release		400 Barrels	Well Head	Yes	46.37025	-104.24297	Fallon	7N-60E-7 SESE
Bad Water Disposal, LLP	BOG	3/4/2015	Spill or Release		10 Gallons	Well Head	Yes	47.67583	-104.05933	Richland	22N-60E-7 SESE
Denbury Onshore, LLC	BOG	3/5/2015	Spill or Release	50 Barrels		Tank or Tank Battery	Yes	47.04868	-104.86599	Dawson	15N-54E-22 NWNE
Denbury Onshore, LLC	FED	3/15/2015	Spill or Release		8 Barrels	Pump Failure	No	46.41723	-104.30816	Fallon	4N-62E-8 SWSW
Anadarko Minerals, Inc.	BOG	3/15/2015	Spill or Release		65 Barrels	Tank or Tank Battery	Yes	48.40195	-106.03544	Valley	31N-44E-32 SENW
Whiting Oil and Gas Corporation	BOG	3/19/2015	Spill or Release	8 Gallons	12 Gallons	Flow Line - Production	No	48.06848	-104.24688	Roosevelt	27N-58E-29 NENE
Denbury Onshore, LLC	BOG	3/22/2015	Spill or Release		200 Barrels	Flow Line - Injection	No	46.37796	-104.17441	Fallon	7N-60E-11 SWNW
Encore Energy Partners Operating LLC	BOG	3/27/2015	Spill or Release	1 Barrels		Flow Line - Production	Yes	47.86003	-104.40236	Richland	24N-57E-9 NENE
Denbury Onshore, LLC	FED	3/29/2015	Fire			Other	No	46.68306	-104.51985	Fallon	11N-57E-26 NWNW
Encore Energy Partners Operating LLC	BOG	3/30/2015	Spill or Release	50 Barrels		Tank or Tank Battery	Yes	47.60360	-104.24249	Richland	21N-58E-2 SESW
Denbury Onshore, LLC	BOG	3/31/2015	Spill or Release		50 Barrels	Flow Line - Injection	Yes	46.38702	-104.19578	Fallon	7N-60E-3 NWSW
Somont Oil Company, Inc.	BOG	4/1/2015	Spill or Release	10 Barrels		Tank or Tank Battery	Yes	48.83512	-111.84455	Toole	36N-2W-34 SENE
Slawson Exploration Company Inc	BOG	4/2/2015	Spill or Release	10 Gallons		Trucking/Transportation	Yes	47.83445	-104.87855	Richland	24N-53E-14 SWSE
Somont Oil Company, Inc.	BOG	4/3/2015	Spill or Release	75 Barrels		Tank or Tank Battery	Yes	48.79016	-111.90165	Toole	35N-2W-17 NWSW
Glen Habets	OTR	4/9/2015	Spill or Release			Vessel/Container	No	48.71425	-111.90926	Toole	34N-2W-7 SESE
Denbury Onshore, LLC	BOG	4/10/2015	Spill or Release		3500 Barrels	Flow Line - Injection	No	46.35190	-104.22890	Fallon	7N-60E-20 NWNE
Encore Energy Partners Operating LLC	BOG	4/13/2015	Spill or Release	37 Barrels	38 Barrels	Treater	Yes	47.68672	-104.18216	Richland	22N-59E-8 NWNW
Continental Resources Inc	BOG	4/15/2015	Spill or Release	2 Barrels		Flare Pit	No	47.88306	-104.62286	Richland	25N-55E-28 SESW

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T R S
XTO Energy Inc.	BOG	4/17/2015	Spill or Release	2 Gallons		Flare Pit	No	47.81775	-104.71284	Richland	24N-55E-30 NENW
Denbury Onshore, LLC	BOG	4/20/2015	Spill or Release		10 Barrels	Flow Line - Production	Yes	46.32443	-104.13510	Fallon	7N-60E-36 NENE
XTO Energy Inc.	BOG	4/22/2015	Spill or Release	3 Gallons		Flare Pit	No	47.94160	-104.83488	Richland	25N-53E-2 SWSE
Petro-Hunt, LLC	BOG	4/23/2015	Spill or Release		5 Barrels	Flow Line - Production	No	48.55041	-104.25409	Sheridan	32N-57E-1 S2SW
Denbury Onshore, LLC	BOG	4/23/2015	Spill or Release		45 Barrels	Pump Failure	Yes	46.59033	-104.43075	Fallon	10N-58E-28 NESW
SM Energy Company	BOG	4/23/2015	Fire			Flare Pit	No	47.90586	-104.70054	Richland	25N-54E-23 SENE
Denbury Onshore, LLC	BOG	4/28/2015	Spill or Release	2 Barrels	28 Barrels	Flow Line - Production	No	46.73346	-104.73346	Fallon	7N-60E-11 NWSW
Denbury Onshore, LLC	BOG	4/28/2015	Spill or Release	15 Barrels		Tank or Tank Battery	Yes	46.60752	-104.43795	Fallon	10N-58E-21 SWNW
Poor Boy Oil, LLP	BOG	4/30/2015	Spill or Release	1 Barrels		Tank or Tank Battery	Yes	47.81771	-104.18282	Richland	24N-59E-29 NWNW
Oasis Petroleum North America LLC	FED	5/4/2015	Spill or Release	15 Barrels		Well Head	No	48.02523	-104.17338	Richland	26N-58E-12 NENW
XTO Energy Inc.	BOG	5/8/2015	Spill or Release	1 Barrels		Flare Pit	No	47.78003	-104.30862	Richland	23N-58E-5 E2SW
Denbury Onshore, LLC	BOG	5/8/2015	Spill or Release	8 Gallons		Treater	No	47.02508	-104.84303	Dawson	15N-54E-26 NWSE
Whiting Oil and Gas Corporation	BOG	5/14/2015	Spill or Release		28 Barrels	Tank or Tank Battery	Yes	47.89594	-104.19515	Richland	25N-58E-26 NENW
Vanguard Operating, LLC	BOG	5/15/2015	Fire			Flare Pit	No	47.93835	-104.61526	Richland	25N-55E-9 NENE
Bayswater Exploration & Production, LLC	BOG	5/17/2015	Spill or Release		300 Barrels	Flow Line - Production	No	46.62017	-108.36726	Musselshell	10N-27E-19 NENE
Legacy Reserves Operating LP	BOG	5/19/2015	Spill or Release	10 Barrels	40 Barrels	Flow Line - Production	No	48.63085	-104.08340	Sheridan	33N-58E-11 SENE
Bad Water Disposal, LLP	BOG	5/20/2015	Spill or Release	3 Barrels		Flow Line - Injection	No	47.67583	-104.05933	Richland	22N-60E-7 SESE
Poor Boy Oil, LLP	BOG	5/22/2015	Spill or Release	21 Gallons	21 Gallons	Tank or Tank Battery	Yes	47.81771	-104.18282	Richland	24N-59E-29 NWNW
Denbury Onshore, LLC	BOG	5/23/2015	Spill or Release	4 Barrels	20 Barrels	Flow Line - Production	No	46.31841	-104.09630	Fallon	7N-61E-32 SENE
Continental Resources Inc	BOG	5/23/2015	Fire			Flare Pit	No	48.00385	-104.14668	Richland	26N-59E-18 NWSE
Denbury Onshore, LLC	BOG	5/26/2015	Spill or Release	10 Gallons	2	Flow Line - Production	No	46.65071	-104.47277	Fallon	10N-58E-6 SENW
Shakespeare Oil Co Inc	BOG	5/27/2015	Fire			Treater	Yes	48.85799	-104.92107	Sheridan	36N-52E-21 NESW
Somont Oil Company, Inc.	BOG	5/27/2015	Spill or Release	1 Barrels	500 Barrels	Flow Line - Injection	No	48.74507	-111.81200	Toole	35N-2W-36 NESW
Rim Operating, Inc.	BOG	5/29/2015	Spill or Release	25 Barrels		Treater	Yes	47.91336	-104.13393	Richland	25N-59E-17 SWSW
Continental Resources Inc	BOG	5/30/2015	Fire			Flare Pit	No	47.74782	-104.57636	Richland	23N-56E-18 SESE
Denbury Onshore, LLC	BOG	6/3/2015	Spill or Release			Vessel/Container	No	46.32658	-104.15885	Fallon	7N-60E-26 SESE
Denbury Onshore, LLC	BOG	6/6/2015	Spill or Release		100 Barrels	Flow Line - Injection	No	46.62522	-104.45260	Fallon	10N-58E-17 NENW
Enerplus Resources USA Corporation	BOG	6/8/2015	Spill or Release		100 Barrels	Tank or Tank Battery	Yes	47.86664	-104.39707	Richland	24N-57E-3 NWNW
Citation Oil & Gas Corp.	BOG	6/12/2015	Spill or Release	100 Barrels	25 Barrels	Tank or Tank Battery	No	48.48350	-109.21076	Blaine	32N-19E-36 SWSW
Denbury Onshore, LLC	BOG	6/13/2015	Spill or Release			Flow Line - Production	No	46.31198	-104.22274	Fallon	7N-60E-31 SWNE
Denbury Onshore, LLC	OTR	6/13/2015	Spill or Release		1050 Barrels	Flow Line - Production	No	46.31216	-104.22255	Fallon	7N-60E-31 SWNE
Wesco Operating, Inc.	BOG	6/16/2015	Spill or Release	10 Barrels	40 Barrels	Tank or Tank Battery	Yes	47.14153	-104.91719	Dawson	16N-54E-17 NESW
Denbury Onshore, LLC	BOG	6/17/2015	Spill or Release		10 Barrels	Flow Line - Production	No	46.33005	-104.22794	Fallon	7N-60E-29 NWSE
True Oil LLC	BOG	6/20/2015	Spill or Release	20 Barrels		Treater	No	48.16556	-104.50776	Roosevelt	28N-56E-20 SENE
Anadarko Minerals, Inc.	BOG	6/20/2015	Spill or Release	5 Barrels	15 Barrels	Tank or Tank Battery	No	48.38003	-105.98634	Valley	30N-44E-3 SWSE
EOG Resources, Inc.	BOG	6/22/2015	Spill or Release	25 Barrels		Treater	No	47.96870	-104.92109	Richland	26N-53E-31 NWNE
Consolidated Oil & Gas, Inc.	BOG	6/24/2015	Spill or Release		5 Barrels	Tank or Tank Battery	Yes	48.32606	-104.42496	Roosevelt	30N-56E-27 SENW
Continental Resources Inc	BOG	6/27/2015	Fire			Flare Pit	No	47.96842	-104.73720	Richland	26N-54E-34 NWNW
Continental Resources Inc	BOG	6/29/2015	Spill or Release	2 Barrels		Treater	No	47.98321	-104.99176	Richland	26N-52E-27 NENW
Denbury Onshore, LLC	FED	6/29/2015	Spill or Release	5 Barrels	3 Barrels	Flow Line - Production	No	46.46005	-104.30806	Fallon	8N-59E-11 NWSE
Denbury Onshore, LLC	FED	7/1/2015	Spill or Release		80 Barrels	Flow Line - Injection	No	46.42074	-104.29198	Fallon	8N-59E-25 SENW
Continental Resources Inc	BOG	7/1/2015	Spill or Release	21 Gallons	2 Barrels	Well Head	No	47.60497	-104.32827	Richland	21N-58E-6 SESW
SM Energy Company	BOG	7/3/2015	Spill or Release	3 Barrels	3 Barrels	Treater	Yes	48.14113	-104.16328	Roosevelt	28N-58E-36 NENE
Denbury Onshore, LLC	BOG	7/4/2015	Fire			Other	No	46.43245	-104.27159	Fallon	8N-60E-19 SENW
Denbury Onshore, LLC	BOG	7/5/2015	Spill or Release		85 Barrels	Flow Line - Injection	No	46.31648	-104.11590	Fallon	7N-61E-31 NESE

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Denbury Onshore, LLC	FED	7/5/2015	Spill or Release	2 Barrels	4 Barrels	Flow Line - Production	No	46.79500	-104.30940	Fallon	8N-59E-11 NWSE
Whiting Oil and Gas Corporation	BOG	7/8/2015	Spill or Release		7 Barrels	Tank or Tank Battery	Yes	47.89594	-104.19460	Richland	25N-58E-26 NENW
Denbury Onshore, LLC	BOG	7/9/2015	Spill or Release		150 Barrels	Flow Line - Production	No	46.39363	-104.25555	Fallon	7N-60E-6 NENW
Denbury Onshore, LLC	BOG	7/11/2015	Fire			Other	No	46.38462	-104.21126	Fallon	7N-60E-4 SESW
Denbury Onshore, LLC	BOG	7/12/2015	Spill or Release	2 Barrels	3 Barrels	Flow Line - Production	No	46.28302	-104.13021	Fallon	6N-61E-7 SWSW
Poor Boy Oil, LLP	BOG	7/15/2015	Spill or Release	5 Barrels		Tank or Tank Battery	Yes	47.81771	-104.18282	Richland	24N-59E-29 NWNW
Denbury Onshore, LLC	BOG	7/15/2015	Spill or Release	5 Barrels	100 Barrels	Flow Line - Production	No	46.69771	-104.50991	Wibaux	11N-57E-23 NWNW
Denbury Onshore, LLC	FED	7/16/2015	Fire			Well Head	Yes	46.74445	-104.56344	Wibaux	12N-57E-33 SWSW
Denbury Onshore, LLC	BOG	7/21/2015	Spill or Release	1 Barrels	4 Barrels	Well Head	Yes	46.49562	-104.37681	Fallon	9N-58E-35 NENE
Wesco Operating, Inc.	BOG	7/25/2015	Spill or Release	3 Barrels	3 Barrels	Well Head	No	46.52725	-104.38358	Fallon	9N-58E-14 SWSE
Vanguard Operating, LLC	BOG	7/26/2015	Spill or Release	21 Gallons		Flare Pit	No	47.61455	-104.24969	Richland	21N-58E-2 NWNW
Continental Resources Inc	BOG	7/26/2015	Fire			Flare Pit	No	47.73278	-104.56923	Richland	23N-56E-20 SWSW
Denbury Onshore, LLC	BOG	7/28/2015	Spill or Release	3 Barrels	50 Barrels	Treater	No	46.86130	-104.67561	Prairie	13N-56E-19 SWSE
Denbury Onshore, LLC	BOG	7/28/2015	Spill or Release			Vessel/Container	No	46.42847	-104.26434	Fallon	8N-60E-19 NESE
Denbury Onshore, LLC	FED	7/30/2015	Spill or Release	50 Barrels		Treater	Yes	46.91810	-104.73190	Dawson	13N-55E-3 NENE
Denbury Onshore, LLC	FED	7/31/2015	Spill or Release		20 Barrels	Well Head	Yes	46.69404	-104.53090	Wibaux	11N-57E-22 SWNE
Oasis Petroleum North America LLC	BOG	8/2/2015	Spill or Release	8 Barrels		Tank or Tank Battery	No	48.10042	-104.25362	Roosevelt	27N-58E-8 SWSE
XTO Energy Inc.	BOG	8/5/2015	Spill or Release	7 Barrels		Treater	Yes	47.73219	-104.40299	Richland	23N-57E-28 NENE
XTO Energy Inc.	BOG	8/7/2015	Spill or Release	30 Barrels		Treater	No	47.73194	-104.15413	Richland	23N-59E-28 NENW
XTO Energy Inc.	BOG	8/8/2015	Spill or Release		100 Barrels	Other	Yes	47.67335	-104.20422	Richland	22N-59E-18 NWNW
Continental Resources Inc	BOG	8/11/2015	Spill or Release		80 Barrels	Tank or Tank Battery	Yes	48.04186	-104.47385	Richland	27N-56E-34 SESW
Denbury Onshore, LLC	FED	8/15/2015	Spill or Release	4 Barrels	19 Barrels	Flow Line - Production	No	46.70491	-104.49491	Wibaux	11N-57E-13 NESW
XTO Energy Inc.	BOG	8/15/2015	Spill or Release		20 Barrels	Flow Line - Production	Yes	47.66293	-104.04769	Richland	22N-60E-17 SESW
Headington Oil Company LLC	BOG	8/15/2015	Spill or Release		20 Barrels	Tank or Tank Battery	Yes	47.66927	-104.04836	Richland	22N-60E-17 SENW
Rim Operating, Inc.	BOG	8/16/2015	Spill or Release		300 Barrels	Tank or Tank Battery	No	48.57084	-104.46323	Sheridan	33N-55E-36 SENW
Wesco Operating, Inc.	BOG	8/18/2015	Spill or Release		35 Barrels	Flow Line - Injection	No	46.63819	-104.42585	Fallon	10N-58E-9 NWNW
Vanguard Operating, LLC	BOG	8/20/2015	Spill or Release	35 Barrels		Tank or Tank Battery	Yes	47.85461	-104.41857	Richland	24N-57E-9 NWSW
Bad Water Disposal, LLP	BOG	8/24/2015	Spill or Release	30 Barrels		Tank or Tank Battery	No	47.67583	-104.05933	Richland	22N-60E-7 SESE
Denbury Onshore, LLC	BOG	8/25/2015	Spill or Release	1 Barrels	1 Barrels	Flow Line - Production	Yes	46.55624	-104.38233	Fallon	9N-58E-2 SWSE
R & A Oil, Inc.	BOG	9/1/2015	Spill or Release	3 Barrels	600 Barrels	Tank or Tank Battery	Yes	46.86739	-108.16331	Petroleum	13N-28E-22 SWSW
Oasis Petroleum North America LLC	BOG	9/1/2015	Spill or Release	20 Barrels	25 Barrels	Well Head	Yes	48.08432	-104.16498	Roosevelt	27N-58E-24 NENE
SM Energy Company	BOG	9/6/2015	Spill or Release		30 Barrels	Flow Line - Injection	Yes	47.97442	-104.07161	Richland	26N-59E-26 NWSW
Avery Bakken Disposals, LLC	BOG	9/8/2015	Spill or Release		30 Barrels	Flow Line - Injection	No	47.83108	-104.11878	Richland	24N-59E-23 NWNW
Denbury Onshore, LLC	BOG	9/10/2015	Spill or Release	1 Barrels		Tank or Tank Battery	Yes	46.60725	-104.43804	Fallon	10N-58E-21 SWSW
Denbury Onshore, LLC	BOG	9/14/2015	Spill or Release	10 Gallons		Well Head	Yes	46.63788	-104.47558	Fallon	10N-58E-7 NENW
Continental Resources Inc	BOG	9/15/2015	Fire			Flare Pit	No	47.77455	-104.79666	Richland	23N-54E-9 NWNW
Vanguard Operating, LLC	BOG	9/15/2015	Spill or Release	15 Barrels	15 Barrels	Flare Pit	Yes	48.29043	-104.15504	Roosevelt	29N-58E-3 SESE
Petro-Hunt, LLC	BOG	9/17/2015	Spill or Release	100 Barrels		Flow Line - Production	No	48.52815	-104.25600	Sheridan	32N-57E-13 SWNW
Continental Resources Inc	BOG	9/19/2015	Fire			Flare Pit	No	47.93800	-104.63676	Richland	25N-55E-8 NENE
Wesco Operating, Inc.	BOG	9/21/2015	Spill or Release	15 Barrels	650 Barrels	Tank or Tank Battery	No	46.65830	-104.46265	Fallon	11N-58E-31 SESE
Denbury Onshore, LLC	BOG	9/21/2015	Spill or Release	2 Barrels	38 Barrels	Flow Line - Production	No	46.94396	-104.75550	Dawson	14N-55E-28 SENE
Denbury Onshore, LLC	BOG	9/22/2015	Spill or Release		5 Barrels	Pump Failure	Yes	46.40118	-104.23560	Fallon	8N-60E-31 SENW
Petro-Hunt, LLC	BOG	9/23/2015	Spill or Release		70 Barrels	Tank or Tank Battery	Yes	48.53522	-104.25790	Sheridan	32N-57E-12 SWSW
Denbury Onshore, LLC	BOG	9/27/2015	Spill or Release	5 Barrels	10 Barrels	Flow Line - Production	No	46.37295	-104.26627	Fallon	7N-59E-12 NWSE
Poor Boy Oil, LLP	BOG	9/27/2015	Spill or Release		1 Barrels	Tank or Tank Battery	Yes	47.81771	-104.18282	Richland	24N-59E-29 NWNW

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitude	County	T-R-S
Citation Oil & Gas Corp.	BOG	10/2/2015	Spill or Release	30 Barrels	200 Barrels	Flow Line - Production	No	48.49505	-109.19265	Blaine	32N-20E-31 NWNW
True Oil LLC	BOG	10/3/2015	Spill or Release		150 Barrels	Flow Line - Injection	No	46.84965	-107.52024	Rosebud	13N-33E-34 NENW
Denbury Onshore, LLC	FED	10/5/2015	Spill or Release		50 Barrels	Flow Line - Production	No	46.72270	-104.54540	Fallon	11N-57E-9 SWNW
Denbury Onshore, LLC	FED	10/10/2015	Spill or Release		3500 Barrels	Flow Line - Injection	No	46.29433	-104.19487	Fallon	6N-60E-10 NWNW
Vanguard Operating, LLC	BOG	10/10/2015	Fire			Treater	No	48.33503	-104.28602	Roosevelt	30N-57E-22 E2SE
Synergy Offshore LLC	BOG	10/11/2015	Spill or Release	50 Gallons		Well Head	No	48.61904	-112.29525	Glacier	33N-5W-17 SWNW
Anadarko Minerals, Inc.	BOG	10/19/2015	Spill or Release		90 Barrels	Tank or Tank Battery	Yes	48.38003	-105.98634	Valley	30N-44E-3 SWSE

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

In the matter of the adoption of New ) NOTICE OF ADOPTION  
Rule I pertaining to certification of )  
carbon sequestration equipment )

To: All Concerned Persons

1. On September 10, 2015, the Department of Natural Resources and Conservation published MAR Notice No. 36-22-187 pertaining to the public hearing on the proposed adoption of the above-stated rule at page 1355 of the 2015 Montana Administrative Register, Issue Number 17.

2. The department has adopted the above-stated rule as proposed: New Rule I (36.22.1707).

3. No written comments or oral testimony were received.

/s/  
JOHN E. TUBBS  
Director  
Natural Resources and Conservation

/s/  
TOMMY BUTLER  
Rule Reviewer

/s/  
LINDA NELSON  
Board Chair, Board of Oil and Gas Conservation

Certified to the Secretary of State November 2, 2015.

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

In the matter of the adoption of New ) NOTICE OF PUBLIC HEARING ON  
Rule I pertaining to certification of ) PROPOSED ADOPTION  
carbon sequestration equipment )

To: All Concerned Persons

1. On October 5, 2015, at 9:00 a.m., the Department of Natural Resources and Conservation and the Board of Oil and Gas Conservation will hold a public hearing at 2535 St. Johns Avenue, Billings, Montana, to consider the proposed adoption of the above-stated rule.

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the board no later than September 28, 2015, to advise us of the nature of the accommodation that you need. Please contact Jim Halvorson, Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, MT 59102; telephone (406) 656-0040; fax (406) 655-6015; e-mail jhalvorson@mt.gov.

3. The rule as proposed to be adopted provides as follows:

NEW RULE I CERTIFICATION OF CARBON SEQUESTRATION  
EQUIPMENT (1) For the purposes of this rule, "operator" means:

(a) the owner or operator of a carbon sequestration project approved by a state or federal agency; or

(b) the owner or operator of a closed-loop enhanced oil recovery operation located within an enhanced recovery project approved by the board.

(2) An operator who wishes to obtain a certificate of eligibility for classification of carbon sequestration equipment or equipment used in a closed-loop enhanced oil recovery project as class fifteen property under 15-6-158(4)(b), MCA (2015), must simultaneously file with the board a copy of the application for tax abatement under 15-24-3111, MCA, that is filed with the Department of Environmental Quality.

(3) Eligible equipment includes:

(a) equipment used to inject or retain carbon dioxide which is located within a carbon sequestration project authorized by the responsible state or federal agency; and

(b) equipment used to inject or maintain carbon dioxide in a closed-loop enhanced oil recovery operation that is downstream of the pipeline meter used to measure the amount of carbon dioxide delivered to the closed-loop enhanced oil recovery operation. Pipelines eligible for certification under ARM 17.80.204 are not considered enhanced oil recovery operation equipment.

(4) Within 30 days of receipt of an application pursuant to (2), board staff shall determine whether the application is complete and notify the applicant in writing of its determination.

(a) If the application is incomplete, the written notice shall identify deficiencies.

(b) The applicant may supplement the application to address the deficiencies or submit a new application.

(5) If the application is determined to be complete and eligible for certification under 15-6-158(4)(b), MCA (2015), within 60 days of the determination, board staff shall certify in writing to the applicant and the Department of Revenue that the equipment is eligible for certification.

(6) If an application is determined by board staff not to be eligible for certification, the operator may file a petition for hearing of the application, which must be filed in triplicate with the board. Upon receipt of the petition, the board will set a hearing date for the application, and cause notice of the hearing to be published as provided in 82-11-141, MCA.

(7) By January 31 of each subsequent calendar year, the operator of equipment certified under 15-6-158(4)(b), MCA (2015), must file with the board:

(a) a copy of the report submitted to the Department of Environmental Quality as required under ARM 17.80.225. For closed-loop enhanced recovery operations this report must include:

(i) changes in the numbers and locations of wells and equipment; and

(ii) a report disclosing the volume of the carbon dioxide injected and the volume retained during the previous tax year; and

(b) documentation to identify and describe any catastrophic or unforeseen occurrences that contributed to a carbon dioxide retention rate of less than 85 percent.

(8) The operator must remain in substantial compliance with any rules, laws, orders, and permit conditions applicable to the project.

(9) Carbon sequestration equipment as defined in 15-6-158(2)(c), MCA, which was placed in service after January 1, 2014, and certified by the Department of Environmental Quality before October 1, 2015, is exempt from the requirements of this rule and is already certified by the board.

AUTH: 15-6-158, 82-11-111, MCA

IMP: 15-6-158, 82-11-141, MCA

REASONABLE NECESSITY: HB 156 (Session Laws of Montana 2015, Chapter No. 407, Section 2, to be codified at 15-6-158(5)(b), MCA [2015]) requires the board to: "...promulgate rules specifying procedures, including timeframes for certification application, and definitions necessary to identify carbon sequestration equipment for certification and compliance." In addition to certification, it also requires the board to: "...identify and track compliance in the use of carbon sequestration equipment...." This rule is reasonably necessary for the board to comply with the requirements of HB 156.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted in writing to Jim Halvorson, Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, MT 59102; telephone (406) 656-0040; fax (406) 655-6015; or e-mail [jhalvorson@mt.gov](mailto:jhalvorson@mt.gov), and must be received no later than 5:00 p.m. on October 8, 2015.

5. Jim Halvorson, Board of Oil and Gas Conservation, has been designated to preside over and conduct the public hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Lucy Richards, P.O. Box 201601, 1625 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail [lrichards@mt.gov](mailto:lrichards@mt.gov); or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this proposal notice is available through the department's web site at <http://www.dnrc.mt.gov>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered.

8. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor was contacted by e-mail on August 20, 2015.

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the adoption of the above-referenced rule will not significantly and directly impact small businesses.

/s/ John E. Tubbs  
JOHN E. TUBBS  
Director  
Natural Resources and Conservation

/s/ Tommy Butler  
TOMMY BUTLER  
Rule Reviewer

/s/ Linda Nelson  
LINDA NELSON  
Board Chair, Board of Oil and Gas Conservation

Certified to the Secretary of State August 31, 2015.

# Hearing Summary

# ALL APPLICATIONS, 10/29/2015

(In Order of Publication)

Docket	Applicant / Respondent	Status	Request
147-2015	Oasis Petroleum, Inc.	Continued	Pooling
148-2015	Oasis Petroleum, Inc.	Continued	Pooling
149-2015	Oasis Petroleum, Inc.	Continued	Pooling
150-2015	Oasis Petroleum, Inc.	Continued	Spacing
151-2015	Oasis Petroleum, Inc.	Continued	Pooling
152-2015	Oasis Petroleum, Inc.	Continued	Well Density
153-2015	Energy Corporation of America		Temp. Spacing
154-2015	Interstate Explorations, LLC	Default	Class II Permit
155-2015	Denbury Onshore, LLC	Default	Class II Permit
156-2015	Bensun Energy, LLC	Continued	Other
300-2014	Anadarko E&P Onshore, LLC	Withdrawn	Spacing
2-2015	Interstate Explorations, LLC	Withdrawn	Spacing
3-2015	Interstate Explorations, LLC	Withdrawn	Pooling
78-2015	Oasis Petroleum, Inc.	Continued	Pooling
136-2015	Horton B. Koessler & James H. Koessler	Continued	Vacate Field/Rule
137-2015	Horton B. Koessler & James H. Koessler	Continued	Vacate Field/Rule
138-2015	Horton B. Koessler & James H. Koessler	Continued	Vacate Field/Rule
157-2015	Hinto Energy, LLC		Show-Cause
158-2015	Windy Butte Reclamation Facility, LLC		Show-Cause
159-2015	Kykuit Resources, LLC	Continued	Show-Cause
160-2015	Custom Carbon Processing, Inc.		Show-Cause
95-2015	Kelly Oil and Gas LLC		Show-Cause
96-2015	Alturas Energy LLC		Show-Cause
97-2015	Augusta Exploration, LLC		Show-Cause
143-2015	Miocene Oil & Gas Ltd		Show-Cause
144-2015	Montana Oil Field Acquisition I, LLC	Dismissed	Show-Cause

# APPLICATIONS TO HEAR, 10/29/2015

(In Order of Hearing)

Docket	Applicant / Respondent	Status	Request
153-2015	Energy Corporation of America		Temp. Spacing
157-2015	Hinto Energy, LLC		Show-Cause
158-2015	Windy Butte Reclamation Facility, LLC		Show-Cause
160-2015	Custom Carbon Processng, Inc.		Show-Cause
95-2015	Kelly Oil and Gas LLC		Show-Cause
96-2015	Alturas Energy LLC		Show-Cause
97-2015	Augusta Exploration, LLC		Show-Cause
143-2015	Miocene Oil & Gas Ltd		Show-Cause



**Docket Summary**

**10/29/2015 Hearing**

147-2015	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 26N-58E-26: all, 35: all (Otis #2658 43-23H). Non-consent penalties requested.	<b>Continued</b>	<p><i>Contested Dockets: 137-2015</i>  <i>Order 15-2013: PSU - 26N-58E-25: all, 36: all</i>  <i>Order 16-2013: Pooling w/non-consent penalties</i>  <i>Continued to December, fax received 10/20/15</i></p>	<input type="checkbox"/>
148-2015	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 26N-58E-14: all, 23: all (Carl Federal #2658 42-23H). Non-consent penalties requested.	<b>Continued</b>	<p><i>Contested Docket: 136-2015</i>  <i>Order 229-2013: PSU - 26N-58E-14: all, 23: all</i>  <i>Order 353-2013: Pooling w/non-consent penalties</i>  <i>Continued to December, fax received 10/20/15</i></p>	<input type="checkbox"/>
149-2015	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 26N-58E-25: all, 36: all (Loki #2658 12-25H). Non-consent penalties being requested.	<b>Continued</b>	<p><i>Contested Docket: 138-2015</i>  <i>Order 593-2012: PSU - 26N-58E-25: all, 36: all</i>  <i>Order 594-2012: Pooling w/non-consent penalties</i>  <i>Continued to December, fax received 10/20/15</i></p>	<input type="checkbox"/>
150-2015	Oasis Petroleum, Inc.	Permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-31: all, 32: all (Dad Frye #2758 24-32B).	<b>Continued</b>	<p><i>Related applications: 150-2015, 151-2015, 152-2015</i>  <i>Continued to December, fax received 10/13/15</i>  <i>Need directional surveys to confirm location</i></p>	<input type="checkbox"/>
151-2015	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-31: all, 32: all (Dad Frye #2758 24-32B). Non-consent penalties requested.	<b>Continued</b>	<p><i>Related applications: 150-2015, 151-2015, 152-2015</i>    <i>Continued to December, fax received 10/13/15</i></p>	<input type="checkbox"/>
152-2015	Oasis Petroleum, Inc.	Exception to drill up to four additional wells, permanent spacing unit, Bakken/Three Forks Formation, 27N-58E-31: all, 32: all, 200' heel/toe, 500' lateral setbacks.	<b>Continued</b>	<p><i>Related applications: 150-2015, 151-2015, 152-2015</i>    <i>Continued to December, fax received 10/13/15</i></p>	<input type="checkbox"/>
153-2015	Energy Corporation of America	Amend Order 130-2009 and/or 377-2013 to extend the application deadline for permanent spacing to December 2017. Default Docket requested.		<p><i>Order 130-2009: TSU, permanent spacing to be requested within 2 yrs of first well completion</i>  <i>Order 377-2013: Extend deadline for PS to December 2014</i></p>	<input type="checkbox"/>
154-2015	Interstate Explorations, LLC	Convert the MBA #2 (API # 021-21202) to Class II Injection well, Dakota Formation, 18N-56E-11: 2,023' FSL/ 824' FWL (NW SW). Aquifer exemption requested. Default Docket requested.	<b>Default</b>		<input type="checkbox"/>
155-2015	Denbury Onshore, LLC	Convert the ELOB Unit 41-9 (API # 025-21340) to Class II Injection well, Mission Canyon Formation, 7N-60E-9: 810' FNL/ 660' FEL (NE NE).	<b>Default</b>		<input type="checkbox"/>
156-2015	Bensun Energy, LLC	Change of Operator for the Richardson 25-1 (34N-55E-25: SW NE, API #091-21852), Richardson 30-1 (34N-56E-30: NE NW, API #091-21856), and Friedrich Trust 31-1 (34N-56E-31: NW NE, API #091-21859) from Statoil Oil and Gas LP to Bensun Energy, LLC	<b>Continued</b>	<p><i>Contingent upon bond, change of operator form.</i>    <i>Application continued, email received 10/22/15</i></p>	<input type="checkbox"/>

300-2014	Anadarko E&P Onshore, LLC	Permanent spacing unit, Bakken/Three Forks Formation, 37N-2W-5: Lot 7 & 8, SW, 8: NW plus federal border tracts (Horgus Fee 3702-08-05-11H).	<b>Withdrawn</b>	Well permit approved under ARM 36.22.607 Amended application includes border tracts lacking lot description. Motion to Withdraw Spacing Application received 10/15/15	<input type="checkbox"/>
2-2015	Interstate Explorations, LLC	Permanent spacing unit, Red River Formation, 14N-60E-30: E/2 (Nelson #2-1).	<b>Withdrawn</b>	Related applications: 2-2015, 3-2015 Application withdrawn, fax received 10/22/15	<input type="checkbox"/>
3-2015	Interstate Explorations, LLC	Pool, permanent spacing unit, Red River Formation, 14N-60E-30: E/2 (Nelson #2-1). Non-consent penalties requested.	<b>Withdrawn</b>	Related applications: 2-2015, 3-2015 [Larry Morgen - Morgen Farm & Ranch] Application withdrawn, fax received 10/22/15	<input type="checkbox"/>
78-2015	Oasis Petroleum, Inc.	Pool, permanent spacing unit, Bakken/Three Forks Formation, 28N-58E-33: all, 34: all (Ring Fed #2858 44-34H). Non-joinder penalties requested.	<b>Continued</b>	PSU: Order 351-2013 Continued to December, fax received 10/13/15	<input type="checkbox"/>
136-2015	Horton B. Koessler & James H. Koessler	Vacate and rescind order 353-2013, pooling with penalties, 26N-58E-14, 23.	<b>Continued</b>	Contested Docket: 148-2015 Order 229-2013: PSU - 26N-58E-14: all, 23: all Order 230-2013: Additional wells Order 353-2013: Pooling w/non-consent penalties Continued to December, email received 10/26/15	<input type="checkbox"/>
137-2015	Horton B. Koessler & James H. Koessler	Vacate and rescind order 16-2013, Pooling with penalties, 26N-58E-26, 35.	<b>Continued</b>	Contested Docket: 147-2015 Order 15-2013: PSU - 26N-58E-26: all, 35: all Order 16-2013: Pooling w/non-consent penalties Order 17-2013: Additional wells Continued to December, email received 10/26/15	<input type="checkbox"/>
138-2015	Horton B. Koessler & James H. Koessler	Vacate and rescind order 594-2012, Pooling with penalties, 26N-58E-25, 36.	<b>Continued</b>	Contested Docket: 149-2015 Order 593-2012: PSU - 26N-58E-25: all, 36: all Order 594-2012: Pooling w/non-consent penalties Order 595-2012: Additional wells Continued to December, email received 10/26/15	<input type="checkbox"/>
157-2015	Hinto Energy, LLC	Show Cause: failure to file production reports and pay administrative fees			<input type="checkbox"/>
158-2015	Windy Butte Reclamation Facility, LLC	Show Cause: failure to file production reports and pay administrative fees		Certified letter delivered	<input type="checkbox"/>
159-2015	Kykuit Resources, LLC	Show Cause: 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 for delinquent reporting and the fine for not appearing at the Board's August 13, 2015 public hearing.	<b>Continued</b>	Kykuit was not properly notified, continued to December.	<input type="checkbox"/>
160-2015	Custom Carbon Processng, Inc.	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to 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.			<input type="checkbox"/>

95-2015	Kelly Oil and Gas LLC	Show Cause: why it should not immediately plug and abandon its remaining production and injection wells and why additional penalties should not be imposed for failure to pay \$3,120.00 for the failure to pay the annual injection well fee, failure to pay the late fee, failure to pay fines, failure to maintain mechanical integrity on the State #1, State E-2, and Shelhamer 1A injection wells, 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 oil wellsites, failure to respond to prior show-cause orders, and for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting.	<i>Certified letter received (Kelly Gebhardt)</i>	<input type="checkbox"/>
96-2015	Alturas Energy LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline for the plugging its wells, and for failure to pay the fine assessed for not appearing at the Board's April 30, 2015 hearing.		<input type="checkbox"/>
97-2015	Augusta Exploration, LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline of its Krone-Augusta 31-32 well, API # 25-049-21111, located in Section 32, T18N-R5W, Lewis and Clark County, Montana.		<input type="checkbox"/>
143-2015	Miocene Oil & Gas Ltd	Show Cause: failure to file production reports and pay administrative fees	<i>8/10/15 Miocene requests a 60 day extension</i>	<input type="checkbox"/>
144-2015	Montana Oil Field Acquisition I, LLC	Show Cause: failure to file production reports and pay administrative fees	<b>Dismissed</b> <i>\$120 fine paid &amp; reports turned in; dismissed prior to publication.</i>	<input type="checkbox"/>

# **GAS FLARING**

**October 28, 2015**

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Continental	2	1	1	3	2
EOG Resources	2	1	1	1	0
Kraken	2	0	2	1	0
Oasis Petroleum	1	1	0	0	0
Petro-Hunt	3	0	3	0	0
Whiting	11	0	11	0	0
XTO	2	2	0	6	0
<b>Totals</b>	<b>23</b>	<b>5</b>	<b>18</b>	<b>11</b>	<b>2</b>

# Flaring Requests

## *Summary*

There are 23 wells flaring over 100 MCF/D based on current production numbers. This number is down from 38 at the last business meeting.

18 of the 23 wells have approved exceptions due to distance, pipeline access issues, or time to connection.

There are 11 exceptions requested at this time. Of the 11, four are flaring due to pipeline/gas plant capacity issues, one has been unable to acquire a ROW, and one is currently in the process of connecting.

## *Continental Resources*

### **Mulholland Federal 1-32H – API #25-083-23158, 27N-56E-32**

1. Flaring 100-112 MCF/D. First exception request expired 2/13/15.
2. Completed: 9/2013.
3. Estimated gas reserves: 172 MMCF.
4. Proximity to market: 4.5-7 miles to market.
5. Estimated cost of marketing the gas: Over \$3.1 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25 MCF/D.
8. Justification to flare: Oneok has determined well is currently uneconomic to connect.

### **Tower 1-4H – API #25-083-22954, 26N-53E-9**

1. Flaring 160 MCF/D. First exception request.
2. Completed: 2/2013.
3. Estimated gas reserves: 234 MMCF.
4. Proximity to market: Connected.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 7.5 MCF/D.
7. Justification to flare: Currently unable to sell due to quality of gas. Hoping to have agreement worked out to resume selling gas in next few weeks.

### **Revere 1-31H – API #25-083-22953, 27N-53E-31**

1. Flaring 190 MCF/D. Second exception request expires 10/29/15.
2. Completed: 2/2013.
3. Estimated gas reserves: 293 MMCF.
4. Proximity to market: Connected.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 8 MCF/D.
7. Justification to flare: Currently unable to sell due to H2S content. Uneconomic to treat H2S with current capacity issues.

## ***EOG Resources***

### **Highline 2-0904H – API #25-085-21866, 29N-59E-9**

8. Flaring 148 MCF/D. Third exception request.
9. Completed: 1/2013.
10. Estimated gas reserves: 700 MMCF.
11. Estimated gas price at market: ~\$1.93/MCF.
12. Proximity to market: 0.50 miles to pipeline.
13. Estimated cost of marketing the gas: \$0.41/MCF.
14. Flaring alternatives: None.
15. Amount of gas used in lease operations: 5 MCF/D.
16. Justification to flare: Oneok has been unable to obtain ROW.

## ***Kraken***

### **Lysemose 33-34 #1H – API #25-083-23303, 26N-59E-32**

1. Flaring 333 MCF/D. Second exception request.
2. Completed: 1/2015.
3. Estimated gas reserves: 400-500 MMCF.
4. Proximity to market: <1 mile to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 10 MCF/D.
7. Justification to flare: Kraken has contracted gas to Oneok. Took longer than expected to obtain ROW, however, ROW has been obtained and the hope is pipeline construction will begin in coming weeks.

## ***XTO Energy***

### **Sonny 24X-16BXC – API #25-083-22828, 22N-59E-16**

1. Flaring 125 MCF/D. First exception request.
2. Completed: 7/2015.
3. Justification to flare: Oneok has been delaying connection due to anticipated sales restrictions. Once connected will still likely need to flare due capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

### **Vaira 31X-17BXC – API #25-083-22848, 24N-55E-17**

1. Flaring 0 MCF/D. First exception request.
2. Completed: 4/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

**Elaine 34X-21BXC – API #25-083-22877, 24N-56E-21**

1. Flaring 64 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

**Shaw 44X-13D – API #25-083-22840, 22N-59E-13**

1. Flaring 150 MCF/D. First exception request.
2. Completed: 8/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

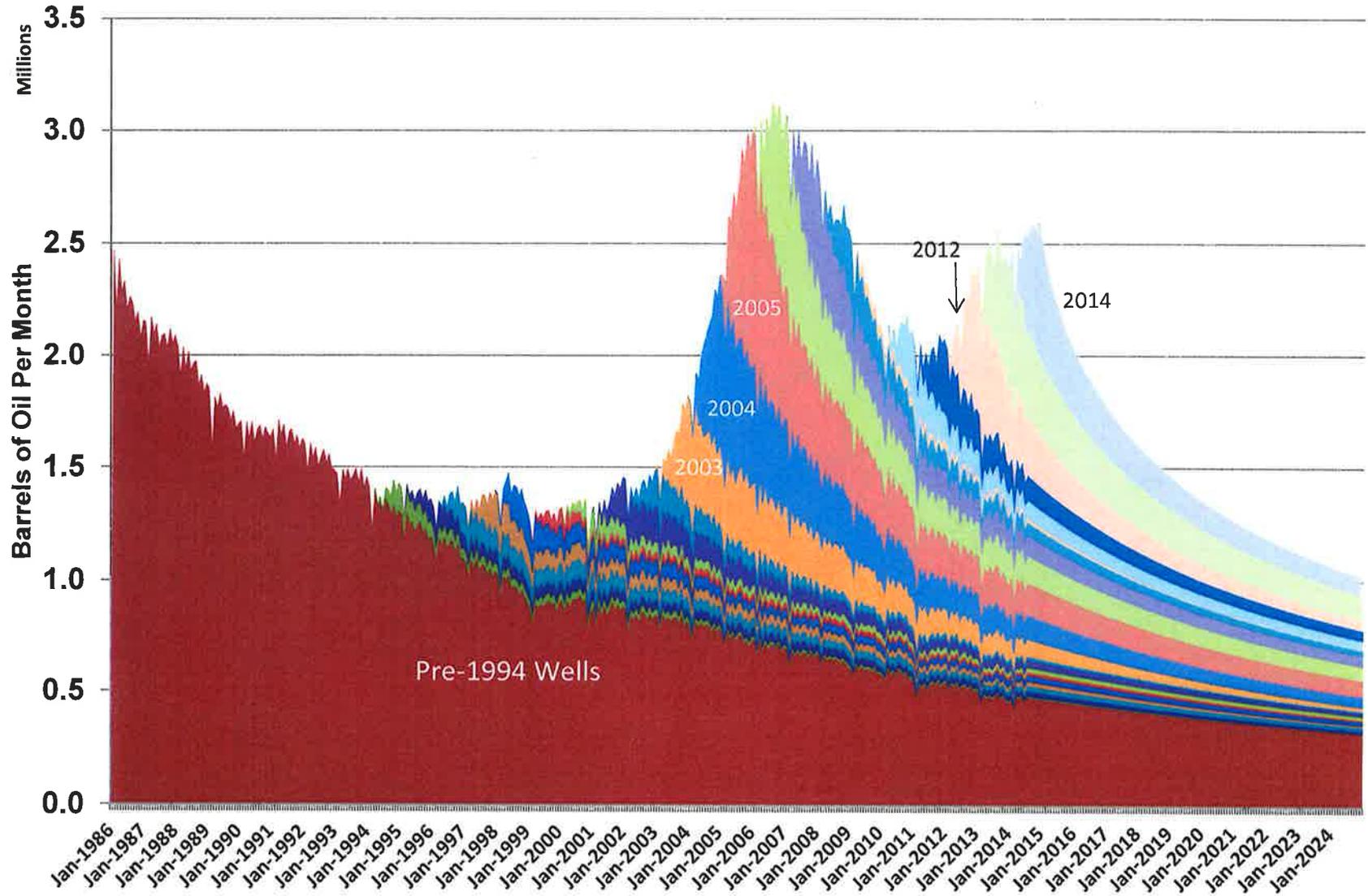
**Donna 31X-15BXC – API #25-083-22876, 24N-56E-15**

1. Flaring 83 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

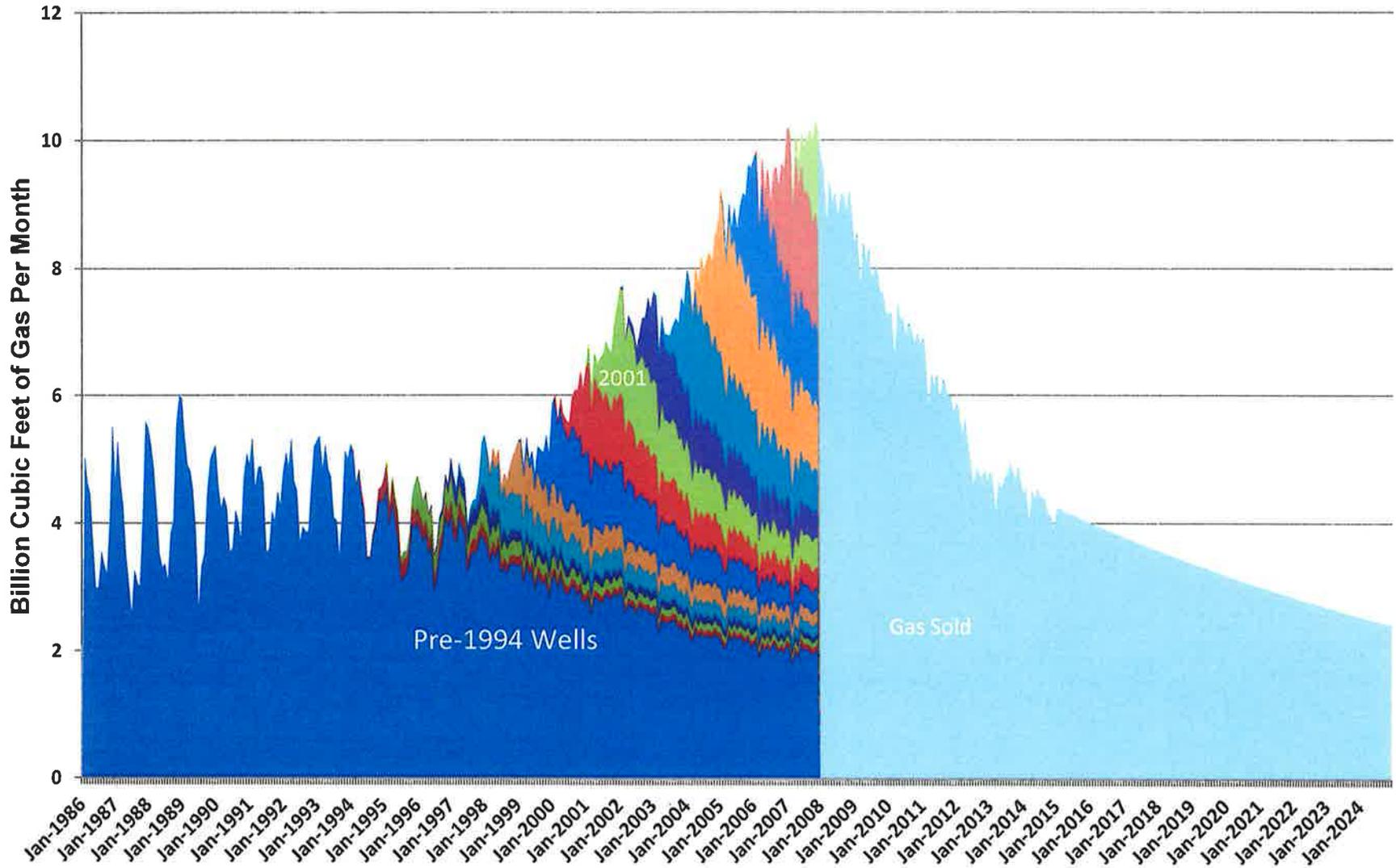
**Wilbur 34X-29BXC – API #25-083-22878, 24N-56E-29**

1. Flaring 89 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

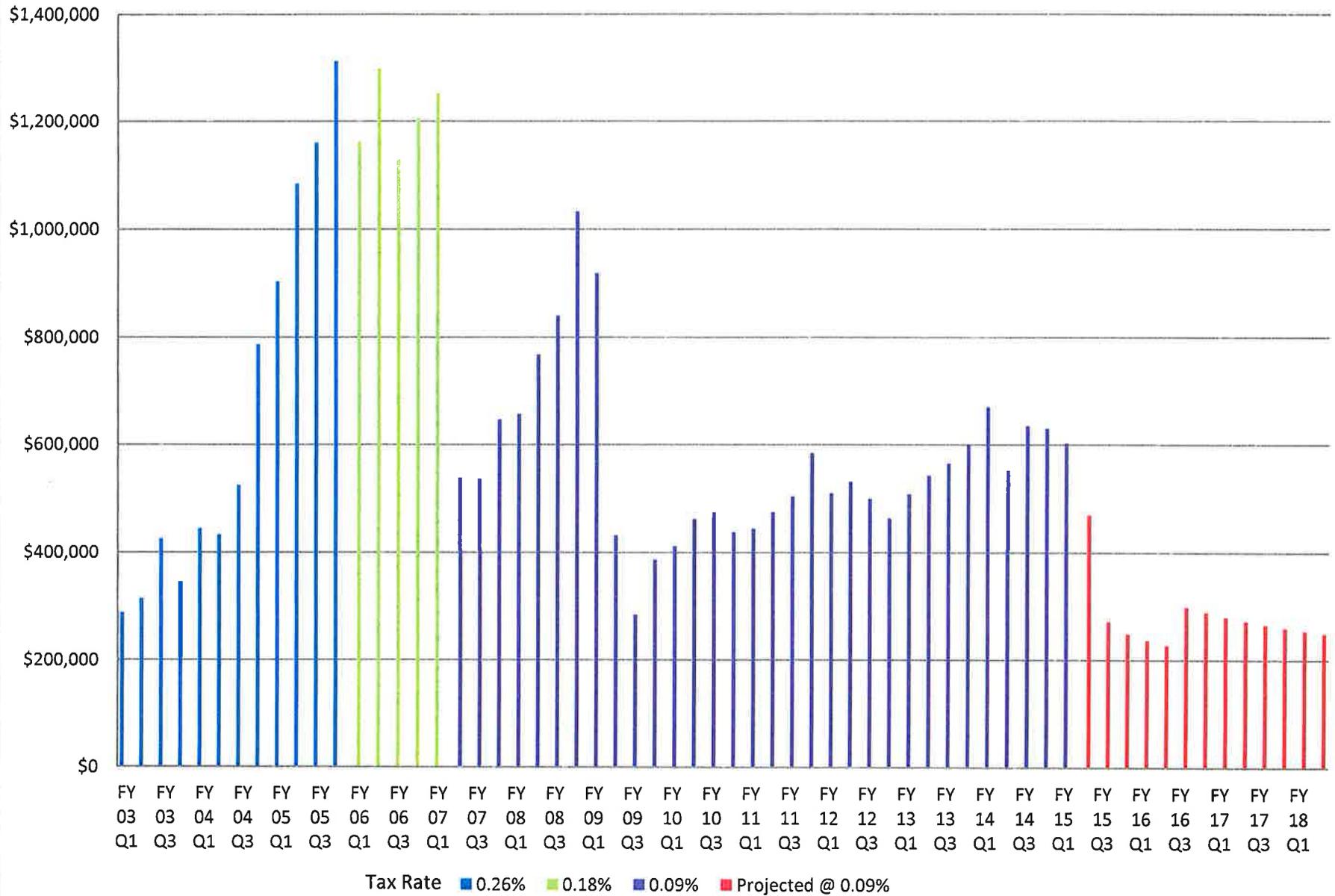
# Oil Production by Completion Year



# Gas Production by Completion Year



# Historical Revenue



## PRIVILEGE AND LICENSE TAX (P&LT) OVERVIEW

- 1) Authority by statute, rule to implement rate
  - a. Current rate set at 30% of statutory maximum (“3/10 of 1%”)
  - b.  $0.3 \times 0.003 = 0.0009$
  - c. State special revenue account (“Earmarked Revenue Account”)
  
- 2) Taxation and Distribution
  - a. Portion of PL&T income placed in Oil and Gas Natural Resource and Distribution Account (OGNRDA) – Approximately \$640,000, 2<sup>nd</sup> CY Qtr 2015.
  - b. Distribution to cities and counties
    - i. Basic distribution based upon production from the county
    - ii. One-third to county, two-thirds to incorporated cities and towns
    - iii. City share based upon population
  
- 3) Oil and Gas Education and Research Account
  - a. Created during 2009
  - b. Purpose and use set by statute
  - c. State special revenue account (“Education and Research Account”)
  - d. \$Zero balance
  
- 4) Figures
  - a. Graphic, current tax rate and allocation
  - b. Historic and forecast oil price, differential
  - c. EIA Forecast table and graph, current and modified rate
    - i. Legislative transfers
    - ii. Estimated rate = 77% of statutory maximum
  - d. Alternate forecast table and graph
  - e. Graphic, revised tax rate and allocation
    - i. Estimated rate = 83% of statutory maximum
  - f. Revenue Department COGS report

## PRIVILEGE AND LICENSE TAX – EARMARKED REVENUE ACCOUNT

**82-11-131. Privilege and license tax.** (1) For the purpose of providing funds for defraying the expenses of the operation and enforcement of this chapter and expenses of the board, an operator or producer of oil and gas shall pay an assessment not to exceed 3/10 of 1% of the market value of each barrel of crude petroleum produced, saved and marketed, or stored within the state or exported from the state and the same rate on the market value of each 10,000 cubic feet of natural gas produced, saved and marketed, or stored within the state or exported from the state.

(2) The board shall, by rule adopted pursuant to the provisions of the Montana Administrative Procedure Act, fix the amount of the assessment and may from time to time reduce or increase the amount of the assessment as the expenses chargeable against the oil and gas conservation fund may require. However, the assessment fixed by the board may not exceed the limits prescribed in this section. The amount of the assessment must be a percentage factor, not to exceed 100%, of the rate set forth in subsection (1), and the same percentage factor must be applied by the board in fixing the amount of the assessment on each barrel of crude petroleum produced and each 10,000 cubic feet of natural gas produced. A producer of the crude petroleum and natural gas shall pay the assessment on each barrel of crude petroleum and each 10,000 cubic feet of natural gas produced for the producer, as well as for another, including a royalty holder.

(3) For the purposes of this section, the provisions of Title 15, chapter 36, part 3, apply to the privilege and license tax assessment.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(1) thru (3); amd. Sec. 7, Ch. 201, L. 1979; amd. Sec. 5, Ch. 93, L. 1983; amd. Sec. 144, Ch. 370, L. 1987; amd. Secs. 1, 2, Ch. 573, L. 1995.

**82-11-135. Money earmarked for board expenses.** The state treasurer shall deposit all money distributed to the board under 15-36-331 and collected under this chapter in the state special revenue fund. Subject to legislative fund transfers, the money must be used for the purpose of paying all expenses of the board and for no other purpose. The board shall use the money subject to biennial appropriations by the legislature. Income and interest from investment of the board's money in the state special revenue fund must be credited to the board.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(7); amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 3, Ch. 265, L. 1987; amd. Sec. 35, Ch. 15, Sp. L. July 1992; amd. Sec. 48, Ch. 451, L. 1995; amd. Sec. 13, Ch. 466, L. 1997; amd. Sec. 4, Ch. 306, L. 2001; amd. Sec. 13, Ch. 522, L. 2003; amd. Sec. 12, Ch. 312, L. 2011.

### 36.22.1242 REPORTS BY PRODUCERS – TAX REPORT – TAX RATE

(1) Each owner or operator of an oil or gas well or any other well (except an injection well reported on Form No. 5) shall file or cause to be filed with the board on or before the last day of each month following the month being reported on Form No. 6 containing all information required by said form and accurately reporting the status of each well thereon as of the last day of the month reported.

**(2) The privilege and license tax on each barrel of crude petroleum and each 10,000 cubic feet of natural gas produced, saved, and marketed, or stored within the state or exported therefrom shall be 30.00 percent (0.9/10 of 1%) of the rate authorized in 82-11-131, MCA, (3/10 of 1%) of the market value thereof. This rule is effective on all crude petroleum and natural gas produced on and after October 1, 2006.**

**History:** 82-11-111, MCA; IMP, 82-11-123, 82-11-131, 82-11-133, MCA; Eff. 12/31/72; AMD, 1982 MAR p. 1398, Eff. 7/16/82; AMD, 1982 MAR p. 2149, Eff. 12/17/82; AMD, 1983 MAR p. 1195, Eff. 8/26/83; AMD, 1986 MAR p. 1384, Eff. 8/15/86; AMD, 1992 MAR p. 654, Eff. 4/1/92; AMD, 1993 MAR p. 152, Eff. 7/1/94; AMD, 1995 MAR p. 1055, Eff. 6/16/95; AMD, 2001 MAR p. 2243, Eff. 11/9/01; AMD, 2005 MAR p. 1045, Eff. 7/1/05; AMD, 2006 MAR p. 2110, Eff. 9/8/06.

## TAXATION AND DISTRIBUTION

**15-36-304. Production tax rates imposed on oil and natural gas -- exemption.** (1) The production of oil and natural gas is taxed as provided in this section. The tax is distributed as provided in 15-36-331 and 15-36-332.

.... (Paragraphs 1 – 6 omitted)

(7) (a) The tax rates imposed under subsections (2) and (5) on working interest owners and nonworking interest owners must be adjusted to include the total of the privilege and license tax adopted by the board of oil and gas conservation pursuant to 82-11-131 and the derived rate for the oil and gas natural resource distribution account as determined under subsection (7)(b).

**(b) The total of the privilege and license tax and the tax for the oil and gas natural resource distribution account established in 90-6-1001(1) may not exceed 0.3%. The base rate for the tax for oil and gas natural resource distribution account funding is 0.08%, but when the rate adopted pursuant to 82-11-131 by the board of oil and gas conservation for the privilege and license tax:**

**(i) exceeds 0.22%, the rate for the tax to fund the oil and gas natural resource distribution account is equal to the difference between the rate adopted by the board of oil and gas conservation and 0.3%; or**

**(ii) is less than 0.18%, the rate for the tax to fund the oil and gas natural resource distribution account is equal to the difference between the rate adopted by the board of oil and gas conservation and 0.26%.**

**(c) The board of oil and gas conservation shall give the department at least 90 days' notice of any change in the rate adopted by the board. Any rate change of the tax to fund the oil and gas natural resource distribution account is effective at the same time that the board of oil and gas conservation rate is effective.**

.... (Paragraph 8 omitted)

**90-6-1001. Oil, gas, and coal natural resource accounts.** (1) There is an oil and gas natural resource distribution account in the state special revenue fund. The collections allocated to the account from 15-36-304(7)(b) must be deposited in the account to be used as provided in 15-36-332(7) and (8).

(2) There is a coal natural resource account in the state special revenue fund. The collections allocated to the account from 15-35-108(7) must be deposited in the account. The money in the account is allocated to the coal board provided for in 2-15-1821 and may be used only for local impact grants provided for in 90-6-205 through 90-6-207 and costs related to the administration of the grant awards.

History: En. Sec. 1, Ch. 603, L. 2005; amd. Sec. 5, Ch. 33, L. 2009; amd. Sec. 32, Ch. 128, L. 2011

**15-36-331. Distribution of taxes.** (1) (a) For each calendar quarter, the department shall determine the amount of tax, late payment interest, and penalties collected under this part.

(b) For the purposes of distribution of oil and natural gas production taxes to county and school district taxing units under 15-36-332 and to the state, the department shall determine the amount of oil and natural gas production taxes paid on production in the taxing unit.

(2) (a) The amount of oil and natural gas production taxes collected for the privilege and license tax pursuant to 82-11-131 must be deposited, in accordance with the provisions of 17-2-124, in the state special revenue fund for the purpose of paying expenses of the board, as provided in 82-11-135.

**(b) The amount of the tax allocated in 15-36-304(7)(b) for the oil and gas natural resource distribution account established in 90-6-1001(1) must be deposited in the account.**

(3) (a) For each tax year, the amount of oil and natural gas production taxes determined under subsection (1)(b) is allocated to each county according to the following schedule:

Big Horn	45.05%
Blaine	58.39%
Carbon	48.27%
Chouteau	58.14%
Custer	69.53%
Daniels	50.81%
Dawson	47.79%
Fallon	41.78%
Fergus	69.18%
Garfield	45.96%
Glacier	58.83%
Golden Valley	58.37%
Hill	64.51%
Liberty	57.94%
McCone	49.92%
Musselshell	48.64%
Petroleum	48.04%
Phillips	54.02%
Pondera	54.26%
Powder River	60.9%
Prairie	40.38%
Richland	47.47%
Roosevelt	45.71%
Rosebud	39.33%
Sheridan	47.99%
Stillwater	53.51%
Sweet Grass	61.24%
Teton	46.1%
Toole	57.61%
Valley	51.43%
Wibaux	49.16%
Yellowstone	46.74%
All other counties	50.15%

(b) The oil and natural gas production taxes allocated to each county must be deposited in the state special revenue fund and transferred to each county for distribution, as provided in 15-36-332.

(4) The department shall, in accordance with the provisions of 17-2-124, distribute the state portion of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as follows:

(a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:

(i) 1.23% to the coal bed methane protection account established in 76-15-904;

- (ii) 1.45% to the natural resources projects state special revenue account established in 15-38-302;
- (iii) 1.45% to the natural resources operations state special revenue account established in 15-38-301;
- (iv) 2.99% to the orphan share account established in 75-10-743;
- (v) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and
- (vi) all remaining proceeds to the state general fund;
- (b) for fiscal years beginning after June 30, 2011, to be distributed as follows:
  - (i) 2.16% to the natural resources projects state special revenue account established in 15-38-302;
  - (ii) 2.02% to the natural resources operations state special revenue account established in 15-38-301;
  - (iii) 2.95% to the orphan share account established in 75-10-743;
  - (iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 15-10-108; and
  - (v) all remaining proceeds to the state general fund.

**History:** En. Sec. 1, Ch. 522, L. 2003; amd. Sec. 18, Ch. 522, L. 2003; amd. Sec. 2, Ch. 5, L. 2005; amd. Sec. 3, Ch. 527, L. 2005; amd. Sec. 4, Ch. 603, L. 2005; amd. Sec. 1, Ch. 432, L. 2007; amd. Sec. 3, Ch. 475, L. 2007; amd. Sec. 3, Ch. 33, L. 2009; amd. Sec. 5, Ch. 57, L. 2009.

**15-36-332. (Temporary) Distribution of taxes to taxing units -- appropriation.** (1) (a) Subject to 20-9-310, by the dates referred to in subsection (6) of this section, the department shall distribute oil and natural gas production taxes allocated under 15-36-331(3) to each eligible county.

**(b) By the dates referred to in subsection (6), the department shall distribute the amount deposited in the oil and gas natural resource distribution account under 15-36-331(2)(b) as provided in subsection (7) of this section.**

(2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide elementary and high school retirement funds, countywide transportation funds, and eligible school districts according to the following schedule:

	Elementary Retirement	High School Retirement	Countywide Transportation	School Districts
Big Horn	14.81%	10.36%	2.99%	26.99%
Blaine	5.86%	2.31%	2.71%	24.73%
Carbon	3.6%	6.62%	1.31%	49.18%
Chouteau	8.1%	4.32%	3.11%	23.79%
Custer	6.9%	3.4%	1.19%	31.25%
Daniels	0	7.77%	3.92%	48.48%
Dawson	5.53%	2.5%	1.11%	35.6%
Fallon	0	7.63%	1.24%	42.58%
Fergus	7.88%	4.84%	2.08%	53.25%
Garfield	4.04%	3.13%	5.29%	26.19%
Glacier	11.2%	4.87%	3.01%	46.11%
Golden Valley	0	11.52%	2.77%	54.65%
Hill	6.7%	4.07%	1.59%	49.87%
Liberty	4.9%	4.56%	1.15%	35.22%
McCone	4.18%	3.19%	2.58%	43.21%
Musselshell	5.98%	4.07%	3.53%	32.17%

Petroleum	0	11.92%	4.59%	55.48%
Phillips	0.43%	6.6%	1.08%	41.29%
Pondera	6.96%	5.06%	1.94%	45.17%
Powder River	3.96%	2.97%	4.57%	22.25%
Prairie	0	8.88%	1.63%	36.9%
Richland	4.1%	3.92%	2.26%	43.77%
Roosevelt	9.93%	7.37%	2.74%	40.94%
Rosebud	3.87%	2.24%	1.05%	72.97%
Sheridan	0	3.39%	2.22%	47.63%
Stillwater	6.87%	4.86%	1.63%	41.16%
Sweet Grass	6.12%	6.5%	2.4%	37.22%
Teton	6.88%	8.19%	3.8%	29.43%
Toole	2.78%	4.78%	1.3%	43.56%
Valley	2.26%	12.61%	4.63%	41.11%
Wibaux	0	4.1%	0.77%	31.46%
Yellowstone	7.98%	4.56%	1.07%	52.77%
All other counties	3.81%	7.84%	1.81%	41.04%

(b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community college district in Custer County.

(ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community college district in Dawson County.

(3) The remaining oil and natural gas production taxes for each county must be used for the exclusive use and benefit of the county, including districts within the county established by the county.

(4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each county referred to in subsection (2) as provided in subsections (4)(b) through (4)(d) and subject to the provisions of 20-9-310.

(b) The amount distributed to each K-12 district within the county is equal to oil and natural gas production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil and natural gas production in the K-12 school district bear to total oil and natural gas production taxes attributable to total oil and natural gas production in the county and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).

(c) For the amount to be distributed to each elementary school district and to each high school district under subsection (4)(d), the department shall first determine the amount of oil and natural gas production taxes in the high school district that is attributable to oil and natural gas production in each elementary school district that is located in whole or in part within the exterior boundaries of a high school district and multiply that amount by the school district percentage figure for the county referred to in subsection (2)(a).

(d) (i) The amount distributed to each elementary school district that is located in whole or in part within the exterior boundaries of a high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary school district and the total mills of the high school district.

(ii) The amount distributed to the high school district is equal to the amount determined in subsection (4)(c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each elementary school district referred to in subsection (4)(c) and the total mills of the high school district.

(5) Oil and natural gas production taxes calculated for each school district under subsections (4)(b) through (4)(d) must be distributed to each school district as provided in 20-9-310.

(6) Subject to 20-9-310, the department shall remit the amounts to be distributed in this section to the county treasurer by the following dates:

(a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending March 31 of the current year.

(b) On or before November 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

(c) On or before February 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

(d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending December 31 of the previous year.

**(7) The department shall distribute the funds received under 15-36-331(2)(b) to counties based on county oil and gas production. Of the distribution to a county, one-third must be distributed to the county government and two-thirds must be distributed to incorporated cities and towns within the county. If there is more than one incorporated city or town within the county, the city and town allocation must be distributed to the cities and towns based on their relative populations.**

(8) The distributions to taxing units and to counties and incorporated cities and towns under this section are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund. *(Terminates June 30, 2020--sec. 38, Ch. 400, L. 2013.)*

## OIL AND GAS EDUCATION AND RESEARCH ACCOUNT

**82-11-110. Oil and gas education and research account.** There is an oil and gas education and research account within the state special revenue fund established in 17-2-102. Interest or other income earned on money in the oil and gas education and research account accrues to that account.

History: En. Sec. 2, Ch. 329, L. 2009.

### **82-11-111. (Temporary) Powers and duties of board.**

... (Paragraphs 1 – 6 omitted.)

(7) The board may take measures to demonstrate to the general public the importance of the state's oil and gas exploration and production industry, to encourage and promote the wise and efficient use of energy, to promote environmentally sound exploration and production methods and technologies, to develop the state's oil and gas resources, and to support research and educational activities concerning the oil and natural gas exploration and production industry. The board may:

(a) make grants or loans and provide other forms of financial assistance as necessary or appropriate from available funds to qualified persons for research, development, marketing, educational projects, and processes or activities directly related to the state's oil and gas exploration and production industry;

(b) enter into contracts or agreements to carry out the purposes of this subsection (7), including the authority to contract for the administration of an oil and gas research, development, marketing, and educational program;

(c) cooperate with any private, local, state, or national commission, organization, agent, or group and enter into contracts and agreements for programs benefiting the oil and gas exploration and production industry;

(d) coordinate with the Montana university system, including Montana tech of the university of Montana or any of its affiliated research programs;

**(e) accept donations, grants, contributions, and gifts from any public or private source for deposit in the oil and gas education and research account established in 82-11-110;**

**(f) distribute funds from the oil and gas education and research account to carry out the provisions of this subsection (7); and**

**(g) make orders and rules to implement the provisions of this subsection (7).**

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### SENATE BILL NO. 418 INTRODUCED BY L. JONES

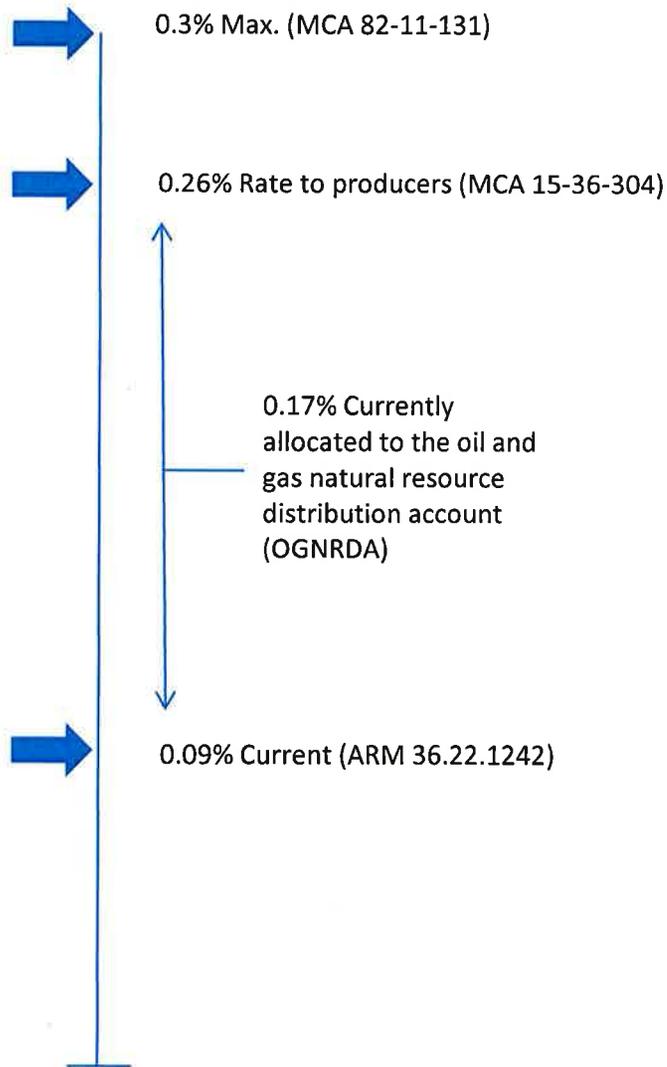
AN ACT AUTHORIZING TRANSFERS AND OTHER NECESSARY MEASURES TO IMPLEMENT THE GENERAL APPROPRIATIONS ACT; REVISING LAWS GOVERNING STATE EMPLOYEE COMPENSATION; PROVIDING LEGISLATIVE POLICY ON MENTAL HEALTH INVESTMENTS AS SET FORTH IN THE GENERAL APPROPRIATIONS ACT; PROVIDING FOR LEGISLATIVE INTENT REGARDING THE IMPLEMENTATION OF SENATE BILL NO. 405; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-703, 2-18-812, AND 87-1-625, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Transfers. (1) By June 1, 2015, there is transferred \$1.35 million from the oil and gas education and research account to the natural resources operations account within the state special revenue fund.**

(2) By June 30, 2015, there is transferred up to \$2.25 million from the county oil and gas impact account within the state special revenue fund to the state general fund.

## CURRENT TAX RATE AND ALLOCATION



Allocation established in MCA 15-36-304

If the privilege and license tax rate:

1. Exceeds 0.22%, allocation to the OGNRDA is the difference between the board's rate and the 0.3% cap.
2. Is less than 0.18%, allocation to the OGNRDA is the difference between the board's rate and 0.26%.

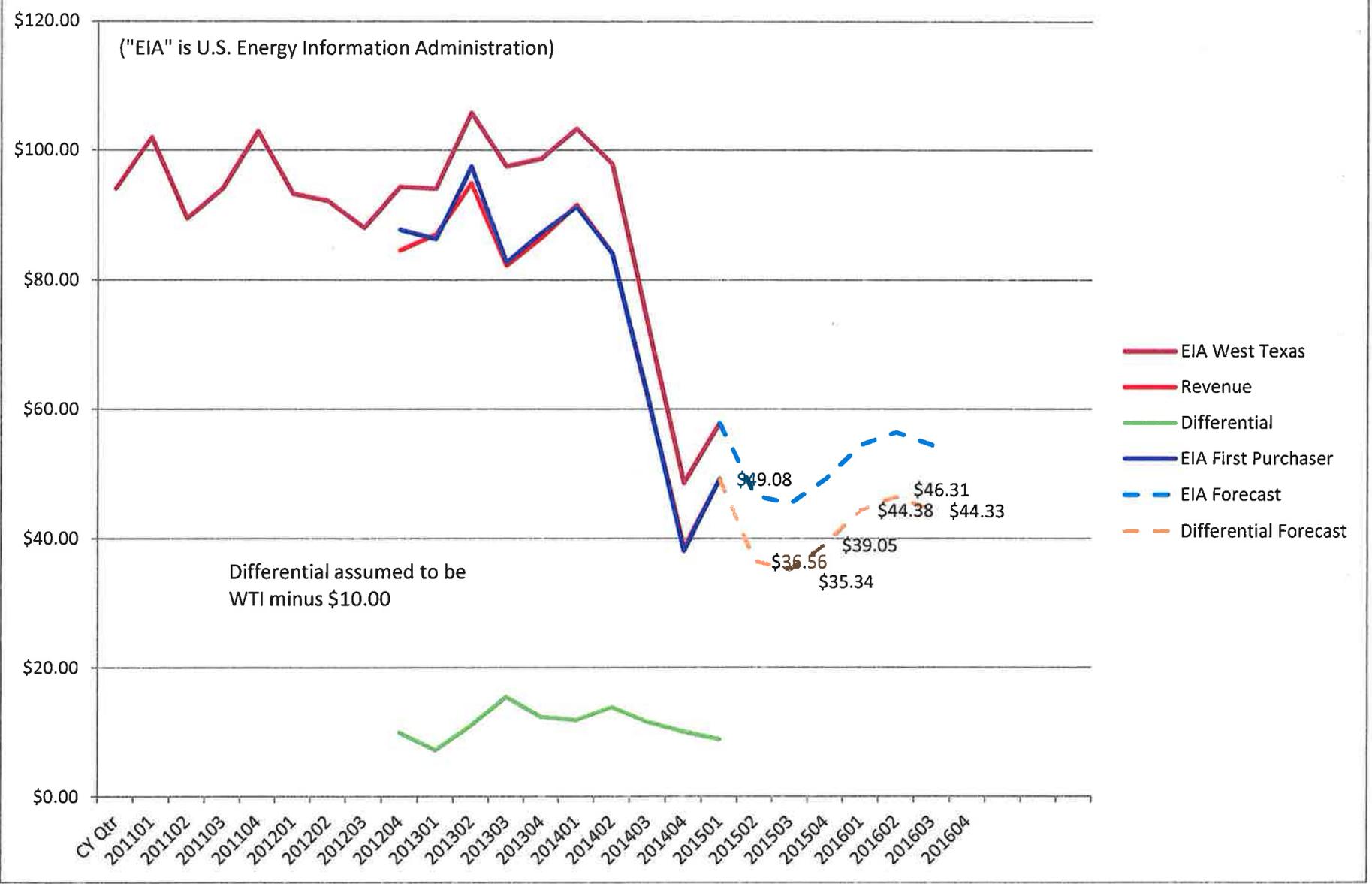
3. Base rate for OGNRDA is 0.08%  
(If the board rate were 0.20%, an OGNRDA of 0.08% would raise the rate paid by operators to 0.28% from the current fixed rate of 0.26%.)

At the present time the OGNRDA receives 0.17%, the difference between 0.26% and 0.09% under (2) above.

Distribution of OGNRDA is established in MCA 15-36-332(7).

- Based upon production from the county
- 1/3 to county government
- 2/3 to incorporated cities and towns
- Distributed to cities and towns based upon population

## EIA Prices and Forecast, Revenue Department Actual Receipts, and Differential



# FORECAST BASED UPON OCTOBER EIA PRICING

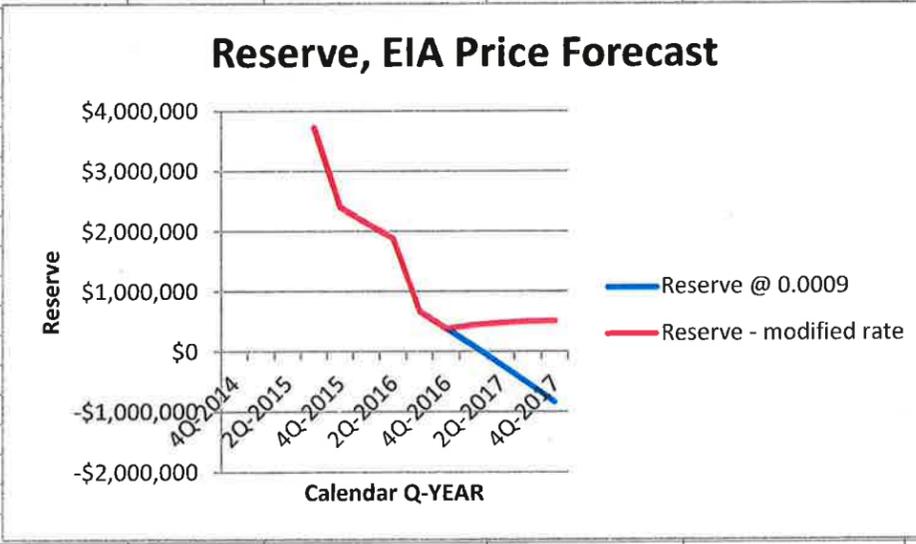
CY	FY	ERA Balance	Budgeted Expenditures	Legislative Transfers	Forecast Oil Production	Forecast Gas Production	Tax Rate	EIA Oil Price - \$10.00	Gas Price	Base EIA Value	Income - 0.0009	Reserve @ 0.0009	Tax Rate 2	Income - modified	Reserve - modified rate
4Q-2014	FY 15 Q2				7,766,356	12,222,543	0.0009								
1Q-2015	FY 15 Q3	\$4,922,575.00		\$ 1,350,000.00	7,585,555	11,733,243	0.0009								
2Q-2015	FY 15 Q4	\$3,990,170.00			7,388,010	12,072,775	0.0009								
3Q-2015	FY 16 Q1	\$3,990,170.00	\$508,808.00		6,979,255	11,895,774	0.0009	\$36.56	\$2.00	\$278,953,101.09	\$251,057.79	\$3,732,419.79	0.0009	\$251,057.79	\$3,732,419.79
4Q-2015	FY 16 Q2		\$508,808.00	\$ 1,040,744.00	6,566,003	11,690,215	0.0009	\$35.34	\$2.00	\$255,422,973.37	\$229,880.68	\$2,412,748.47	0.0009	\$229,880.68	\$2,412,748.47
1Q-2016	FY 16 Q3		\$508,808.00		6,221,760	11,488,209	0.0009	\$39.04	\$2.00	\$265,873,916.54	\$239,286.52	\$2,143,226.99	0.0009	\$239,286.52	\$2,143,226.99
2Q-2016	FY 16 Q4		\$508,808.00		5,928,119	11,289,693	0.0009	\$44.38	\$2.00	\$285,669,314.24	\$257,102.38	\$1,891,521.37	0.0009	\$257,102.38	\$1,891,521.37
3Q-2016	FY 17 Q1		\$525,255.75	\$ 945,736.00	5,673,056	11,094,609	0.0009	\$46.31	\$2.00	\$284,908,433.90	\$256,417.59	\$676,947.22	0.0009	\$256,417.59	\$676,947.22
4Q-2016	FY 17 Q2		\$525,255.75		5,448,303	10,902,895	0.0009	\$44.33	\$2.00	\$263,329,083.95	\$236,996.18	\$388,687.64	0.0009	\$236,996.18	\$388,687.64
1Q-2017	FY 17 Q3		\$525,255.75		5,247,946	10,714,495	0.0009	\$44.33	\$2.00	\$254,070,441.74	\$228,663.40	\$92,095.29	0.0023	\$584,362.02	\$447,793.91 <span style="color: red;">increase</span>
2Q-2017	FY 17 Q4		\$525,255.75		5,067,610	10,529,351	0.0009	\$44.33	\$2.00	\$245,705,848.35	\$221,135.26	-\$212,025.20	0.0023	\$565,123.45	\$487,661.61
3Q-2017	FY 18 Q1		\$525,255.75		4,903,973	10,347,406	0.0009	\$44.33	\$2.00	\$238,087,949.29	\$214,279.15	-\$523,001.79	0.0023	\$547,602.28	\$510,008.14
4Q-2017	FY 18 Q2		\$525,255.75		4,754,457	10,168,606	0.0009	\$44.33	\$2.00	\$231,102,295.42	\$207,992.07	-\$840,265.48	0.0023	\$531,535.28	\$516,287.67
			\$5,186,766.50	\$1,986,480.00						Income	\$2,342,811.02			\$3,699,364.17	
		Total Expend:	\$7,173,246.50							Necessary rate to meet expenditures CY 4Q 2017:	0.00227				

\$1,350,000 - Transfer, SB 418, occurred May 2015.

\$590,744 (Sage Grouse) + \$300,000 (MBMG Coal) + \$150,000 (St. Mary's) during FY 16

\$495,736 (Sage Grouse) + \$300,000 (MBMG Coal) + \$150,000 (St. Mary's) during FY 17

Total Transfers for FY 16 & FY 17: \$3,336,480



Legislative Transfers		
	FY 16	FY 17
Sage Grouse	\$590,744.00	\$495,736.00
MBMG Coal Data	\$300,000.00	\$300,000.00
St. Mary's	\$150,000.00	\$150,000.00
	\$1,040,744.00	\$945,736.00
	\$1,350,000.00	
Total:	\$3,336,480.00	

# FORECAST WORKSHEET (ALTERNATE PRICING)

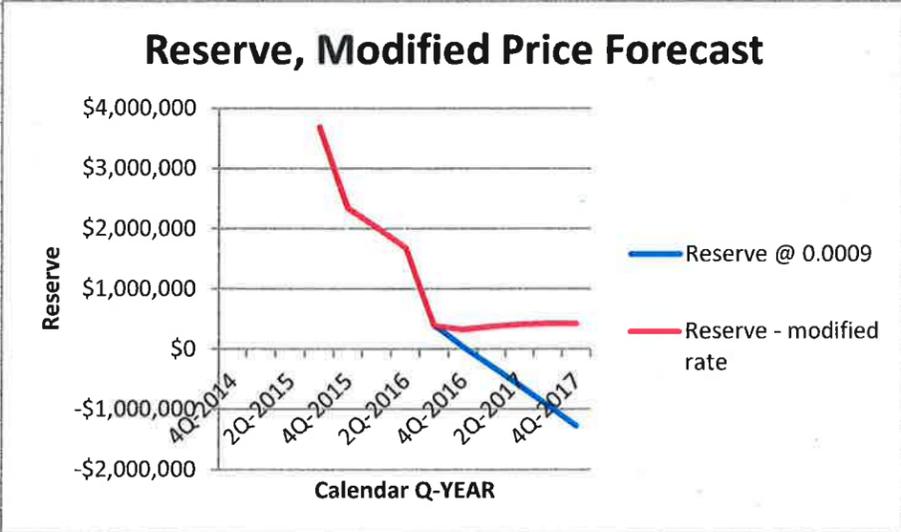
CY	FY	ERA Balance	Budgeted Expenditures	Legislative Transfers	Forecast Oil Production	Forecast Gas Production	Tax Rate	Estimated Oil Price	Estimated Gas Price	Base Value	Income - 0.0009	Reserve @ 0.0009	Tax Rate 2	Income - modified	Reserve - modified rate
4Q-2014	FY 15 Q2				7,766,356	12,222,543	0.0009								
1Q-2015	FY 15 Q3	\$4,922,575		\$ 1,350,000.00	7,585,555	11,733,243	0.0009								
2Q-2015	FY 15 Q4	\$3,990,170			7,388,010	12,072,775	0.0009								
3Q-2015	FY 16 Q1	\$3,990,170	\$508,808.00		6,979,255	11,895,774	0.0009	\$30.00	\$2.00	\$233,169,189.93	\$209,852.27	\$3,691,214.27	0.0009	\$209,852.27	\$3,691,214.27
4Q-2015	FY 16 Q2		\$508,808.00	\$ 1,040,744.00	6,566,003	11,690,215	0.0009	\$30.00	\$2.00	\$220,360,517.75	\$198,324.47	\$2,339,986.74	0.0009	\$198,324.47	\$2,339,986.74
1Q-2016	FY 16 Q3		\$508,808.00		6,221,760	11,488,209	0.0009	\$30.00	\$2.00	\$209,629,208.74	\$188,666.29	\$2,019,845.02	0.0009	\$188,666.29	\$2,019,845.02
2Q-2016	FY 16 Q4		\$508,808.00		5,928,119	11,289,693	0.0009	\$30.00	\$2.00	\$200,422,960.98	\$180,380.66	\$1,691,417.69	0.0009	\$180,380.66	\$1,691,417.69
3Q-2016	FY 17 Q1		\$525,255.75	\$ 945,736.00	5,673,056	11,094,609	0.0009	\$30.00	\$2.00	\$192,380,892.96	\$173,142.80	\$393,568.74	0.0009	\$173,142.80	\$393,568.74
4Q-2016	FY 17 Q2		\$525,255.75		5,448,303	10,902,895	0.0009	\$30.00	\$2.00	\$185,254,895.14	\$166,729.41	\$35,042.40	0.0025	\$463,137.24	\$331,450.23 <span style="color: red;">increase</span>
1Q-2017	FY 17 Q3		\$525,255.75		5,247,946	10,714,495	0.0009	\$40.00	\$2.00	\$231,346,835.06	\$208,212.15	-\$282,001.20	0.0025	\$578,367.09	\$384,561.57
2Q-2017	FY 17 Q4		\$525,255.75		5,067,610	10,529,351	0.0009	\$40.00	\$2.00	\$223,763,097.51	\$201,386.79	-\$605,870.16	0.0025	\$559,407.74	\$418,713.56
3Q-2017	FY 18 Q1		\$525,255.75		4,903,973	10,347,406	0.0009	\$40.00	\$2.00	\$216,853,744.84	\$195,168.37	-\$935,957.54	0.0025	\$542,134.36	\$435,592.17
4Q-2017	FY 18 Q2		\$525,255.75		4,754,457	10,168,606	0.0009	\$40.00	\$2.00	\$210,515,496.09	\$189,463.95	-\$1,271,749.34	0.0025	\$526,288.74	\$436,625.16
			\$5,186,766.50	\$ 1,986,480.00						Income	\$1,911,327.16			\$3,619,701.66	
		Total Expend:	\$7,173,246.50							Necessary rate to meet expenditures CY 4Q 2017: 0.00250					

\$1,350,000 - Transfer, SB 418, occurred May 2015.

\$590,744 (Sage Grouse) + \$300,000 (MBMG Coal) + \$150,000 (St. Mary's) during FY 16

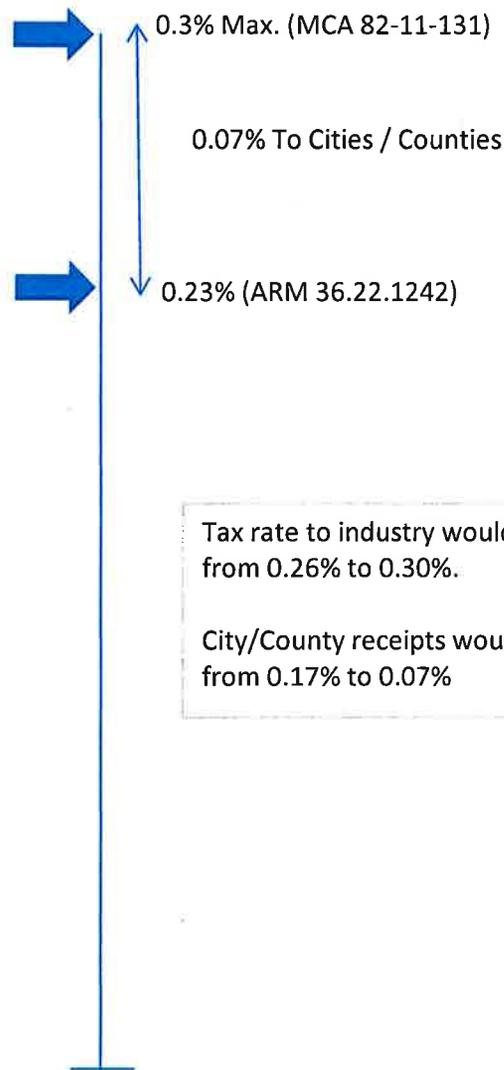
\$495,736 (Sage Grouse) + \$300,000 (MBMG Coal) + \$150,000 (St. Mary's) during FY 17

Total Transfers for FY 16 & FY 17: \$3,336,480



Legislative Transfers:		
	FY 16	FY 17
Sage Grouse	\$590,744.00	\$495,736.00
MBMG Coal Data	\$300,000.00	\$300,000.00
St. Mary's	\$150,000.00	\$150,000.00
	\$1,040,744.00	\$945,736.00
	\$1,350,000.00	
<b>Total:</b>	<b>\$3,336,480.00</b>	

## REVISED TAX RATE AND ALLOCATION (EIA FORECAST)



Allocation established in MCA 15-36-304

If the privilege and license tax rate:

1. Exceeds 0.22%, allocation to the OGNRDA is the difference between the board's rate and the 0.3% cap.
2. Is less than 0.18%, allocation to the OGNRDA is the difference between the board's rate and 0.26%.
3. Base rate for OGNRDA is 0.08%:  
if the board rate were 0.20%, an OGNRDA of 0.08% would raise the rate paid by operators to 0.28% from the current fixed rate of 0.26%.

At the present time the OGNRDA receives 0.17%, the difference between 0.26% and 0.09% under (2) above.

Distribution of OGNRDA is established in MCA 15-36-332(7).

- Based upon production from the county
- 1/3 to county government
- 2/3 to incorporated cities and towns
- Distributed to cities and towns based upon population

## Volume, Value, and Price Report (Department of Revenue)

Quarter	GAS			OIL		
	Gross Volume	Gross Value	AVG \$ Price	Gross Volume	Gross Value	AVG \$ Price
1ST 2013	13,164,749.77	\$44,213,901.93	\$3.36	7,379,788.10	\$623,238,470.64	\$84.45
2ND 2013	13,623,537.35	\$48,918,085.50	\$3.59	7,400,371.13	\$643,411,191.65	\$86.94
3RD 2013	16,408,597.82	\$45,095,143.90	\$2.75	7,704,581.33	\$731,179,653.29	\$94.90
4TH 2013	13,695,074.66	\$49,989,176.61	\$3.65	7,229,371.45	\$593,790,749.60	\$82.14
1ST 2014	12,892,345.14	\$78,675,350.39	\$6.10	7,178,171.56	\$620,295,767.20	\$86.41
2ND 2014	13,042,338.46	\$53,880,539.62	\$4.13	7,299,082.89	\$668,462,583.24	\$91.58
3RD 2014	12,589,895.53	\$45,674,786.13	\$3.63	7,711,667.67	\$648,475,705.47	\$84.09
4TH 2014	11,982,487.78	\$37,639,305.45	\$3.14	7,770,964.08	\$479,600,051.04	\$61.72
1ST 2015	11,461,427.90	\$23,724,138.27	\$2.07	7,586,246.52	\$292,218,931.97	\$38.52
2ND 2015	12,098,219.68	\$19,118,605.87	\$1.58	7,299,289.67	\$358,222,613.01	\$49.08