

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

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO DRILL A MUDDY FORMATION NATURAL GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 225' FSL AND 636' FWL IN SECTION 17, T30N-R18E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702(11). SHOULD THE PROPOSED WELL BE DRILLED AND COMPLETED AS A WELL CAPABLE OF COMMERCIAL PRODUCTION OF NATURAL GAS FROM THE MUDDY FORMATION, APPLICANT SHALL APPLY FOR AN ORDER DESIGNATING AND DELINEATING A PERMANENT SPACING UNIT FOR PRODUCTION OF NATURAL GAS THEREFROM.

ORDER 9-2017

Docket No. 11-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Applicant revised the well location in the application and offered a new well location at the hearing.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Montana Land & Exploration, Inc. is authorized to drill a Muddy Formation natural gas test well at the proposed amended location of approximately 262' FSL and 596' FWL in Section 17, T30N-R18E, Blaine County, Montana, as an exception to A.R.M. 36.22.702(11).

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

BOARD ORDER NO. 9-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO DRILL A CAT CREEK FORMATION NATURAL GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 750' FSL AND 2,386' FWL IN SECTION 14, T30N-R18E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702(11). SHOULD THE PROPOSED WELL BE DRILLED AND COMPLETED AS A WELL CAPABLE OF COMMERCIAL PRODUCTION OF NATURAL GAS FROM THE CAT CREEK FORMATION, APPLICANT SHALL APPLY FOR AN ORDER DESIGNATING AND DELINEATING A PERMANENT SPACING UNIT FOR PRODUCTION OF NATURAL GAS THEREFROM.

ORDER 10-2017

Docket No. 12-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Applicant revised the well location in the application and offered a new well location at the hearing.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Montana Land & Exploration, Inc. is authorized to drill a Cat Creek Formation natural gas test well at the proposed amended location of approximately 768' FSL and 2,498' FWL in Section 14, T30N-R18E, Blaine County, Montana, as an exception to A.R.M. 36.22.702(11).

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

BOARD ORDER NO. 10-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO DRILL A CAT CREEK FORMATION NATURAL GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 466' FSL AND 2,271' FWL IN SECTION 16, T30N-R18E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702(11). SHOULD THE PROPOSED WELL BE DRILLED AND COMPLETED AS A WELL CAPABLE OF COMMERCIAL PRODUCTION OF NATURAL GAS FROM THE CAT CREEK FORMATION, APPLICANT SHALL APPLY FOR AN ORDER DESIGNATING AND DELINEATING A PERMANENT SPACING UNIT FOR PRODUCTION OF NATURAL GAS THEREFROM.

ORDER 11-2017

Docket No. 13-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Applicant revised the well location in the application and offered a new well location at the hearing.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Montana Land & Exploration, Inc. is authorized to drill a Cat Creek Formation natural gas test well at the proposed amended location of approximately 371' FSL and 2,352' FWL in Section 16, T30N-R18E, Blaine County, Montana, as an exception to A.R.M. 36.22.702(11).

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

BOARD ORDER NO. 11-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO DRILL A CAT CREEK FORMATION NATURAL GAS TEST WELL AT A PROPOSED WELL LOCATION APPROXIMATELY 483' FSL AND 2441' FWL IN SECTION 17, T30N-R18E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702(11). SHOULD THE PROPOSED WELL BE DRILLED AND COMPLETED AS A WELL CAPABLE OF COMMERCIAL PRODUCTION OF NATURAL GAS FROM THE CAT CREEK FORMATION, APPLICANT SHALL APPLY FOR AN ORDER DESIGNATING AND DELINEATING A PERMANENT SPACING UNIT FOR PRODUCTION OF NATURAL GAS THEREFROM.

ORDER 12-2017

Docket No. 14-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Applicant revised the well location in the application and offered a new well location at the hearing.
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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Montana Land & Exploration, Inc. is authorized to drill a Cat Creek Formation natural gas test well at the proposed amended location of approximately 513' FSL and 2,607' FWL in Section 17, T30N-R18E, Blaine County, Montana, as an exception to A.R.M. 36.22.702(11).

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

BOARD ORDER NO. 12-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, 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 MONTANA OIL FIELD ACQUISITION I, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS WELLS SHOULD NOT BE PLUGGED AND ABANDONED AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE PRODUCTIONS REPORTS, TO PAY THE OUTSTANDING FINE OF \$34,000, AND TO APPEAR AT THE FEBRUARY 2, 2017, PUBLIC HEARING.

ORDER 13-2017

Docket No. 15-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

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

2. No one appeared on behalf of Montana Oil Field Acquisition I, LLC (MOFA).

3. At the June 15, 2016, business meeting, MOFA was brought to the Board for spill violations. MOFA did not achieve compliance within the agreed 45 days and a daily fine of \$250 was instated until compliance was achieved for all three wells. MOFA has not achieved compliance. The fine was stopped at the December 14, 2016, business meeting. The total fine amounts to \$34,000. MOFA is also not in compliance with production reporting requirements.

4. At the December 14, 2016, business meeting the Board directed staff to approve the change of operator request from MOFA to Robert Hawkins, Inc. (Hawkins). Hawkins is now the operator of 31 wells previously operated by MOFA, and MOFA remains the operator of two leases, which include four federal and two state wells.

5. MOFA has not paid the outstanding fine in the amount of \$34,000, has not filed production reports, as required under ARM 36.22.1242, and has not provided a plan and timeline for the plugging and abandonment of its wells at the April 6, 2017, public hearing, as ordered by Board Order 2-2017.

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

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that 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. 13-2017

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Montana Oil Field Acquisition I, LLC appear at the June 15, 2017, public hearing to show cause why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, 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 MOUNTAIN
PACIFIC GENERAL INC. TO APPEAR AND PROVIDE A PLAN FOR
THE PLUGGING AND ABANDONMENT OF ITS WELLS AT THE
BOARD'S APRIL 6, 2017, PUBLIC HEARING.

ORDER 14-2017

Docket No. 16-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Mountain Pacific General Inc. (MPG).
3. MPG has not paid the outstanding fine in the amount of \$1,000, failed to increase its plugging and reclamation bond to \$250,000, as ordered by Board Orders 1-A-2010 and 52-2016, and did not provide a plan and timeline for the plugging and abandonment of its wells at the April 6, 2017, public hearing, as ordered by Board Order 3-2017.
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 respondent has not demonstrated 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 Mountain Pacific General Inc. appear at the June 15, 2017, public hearing to show cause why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.

BOARD ORDER NO. 14-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE REQUEST OF STAFF TO VACATE ORDER 6-2017 AND THE \$1,000 PENALTY ASSESSED FOR KYKUIT RESOURCES, LLC'S FAILURE TO APPEAR AT THE FEBRUARY 2, 2017, PUBLIC HEARING. THE PENALTY FOR DELINQUENT REPORTING WAS RECEIVED IN THE BOARD'S OFFICE ON THE DAY OF THE HEARING.

ORDER 15-2017

Docket No. 17-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Kykuit Resources, LLC (Kykuit).
3. The administrative penalty of \$520.00 assessed for delinquent production reports was paid and received in the Billings office on the day of the February 2, 2017, public hearing. Due to Kykuit being in compliance, the \$1,000 penalty for not appearing at the February hearing was erroneously applied.
4. Staff recommended the \$1,000 fine assessed under Board Order 6-2017 be vacated.
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 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 Board Order 6-2017 is hereby vacated.

BOARD ORDER NO. 15-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, 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, PUBLIC HEARING.

ORDER 16-2017

Docket No. 97-2015

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Augusta Exploration, LLC (Augusta).
3. Board staff received a letter from the federal receiver in Augusta's federal court case. The receiver confirmed Augusta has no remaining assets to plug and abandon the well.
4. Staff recommended that the plugging and reclamation bond of Augusta be forfeited for failure to begin to plug its Krone-Augusta 31-32 well and requested the authority to plug the well.
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 respondent has not demonstrated that 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. 16-2017

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the plugging and reclamation bond for Augusta Exploration, LLC is hereby forfeited.

IT IS FURTHER ORDERED that Board staff has the authority to proceed with the plugging of the Krone-Augusta 31-32 well located in the NW¹/₄NE¹/₄ of Section 32, T18N-R5W, Lewis and Clark County, Montana.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

I dissent

Paul Gatzemeier, 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 SHADWELL RESOURCES GROUP, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT COMPLETE OR PLUG THE FT. GILBERT 3 SWD WELL (API # 25-083-21074) LOCATED IN THE SW¼NE¼ OF SECTION 32, T24N-R59E, RICHLAND COUNTY, MONTANA PRIOR TO THE APRIL 6, 2017, PUBLIC HEARING AND WHY IT SHOULD NOT PAY THE \$2,000 FINE FOR FAILURE TO COMPLETE OR PLUG THE WELL PRIOR TO THE OCTOBER 27, 2016, PUBLIC HEARING.

ORDER 17-2017

Docket No. 48-2016

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Shadwell Resources Group, LLC (Shadwell).
3. Shadwell was expected to plug the Ft. Gilbert 2 SWD well by the December 15, 2016, public hearing. Shadwell was unable to meet the deadline due to weather and scheduling conflicts with a contractor.
4. Shadwell requested additional time at the December 15, 2016, public hearing to plug the Ft. Gilbert 3 SWD and was granted until the April 6, 2017, public hearing. At that hearing Shadwell was assessed a \$2,000 fine for failure to plug the Ft. Gilbert 3 SWD located in the SW¼NE¼ of Section 32, T24N-R59E, Richland County, Montana prior to the October 27, 2016, public hearing.
5. Shadwell paid the outstanding fine and plugged the well prior to April 6, 2017, public hearing.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

BOARD ORDER NO. 17-2017

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 48-2016 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, 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 STORM CAT ENERGY (USA) OPERATING CORPORATION TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT PROVIDE A PLAN AND TIMELINE FOR THE PLUGGING AND ABANDONMENT OR TRANSFER OF ITS THREE WELLS AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO PAY THE OUTSTANDING FINE OF \$1,340, AND APPEAR AT THE AUGUST 11, 2016, PUBLIC HEARING.

ORDER 18-2017

Docket No. 49-2016

Report of the Board

The above entitled cause came on regularly for hearing on April 6, 2017, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Storm Cat Energy (USA) Operating Corporation (Storm Cat), but informed staff that the bankruptcy court has not issued the final sale order to Summit Gas Resources (Summit). Storm Cat requested a continuance to the June 14, 2017, public hearing.
3. Storm Cat will transfer the MT State 9-42 36-06CK and the Remington 10-43 05-07CK wells to Summit.
4. Storm Cat transferred the Porter 10-43 06-06CK well to the mineral and surface owner, Bruce Porter, for use as a water well.
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 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 49-2016 is continued until the June 15, 2017, public hearing.

BOARD ORDER NO. 18-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of April, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Ronald S. Efta, Chairman

Steven Durrett, Vice-Chairman

Paul Gatzemeier, Board Member

Mac McDermott, Board Member

Peggy Ames Nerud, Board Member

Dennis Trudell, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Rath, Program Specialist