

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
BOARD OF OIL AND GAS CONSERVATION  
BILLINGS, MONTANA  
August 9 & 10, 2017

CONSERVATION AND PREVENTION )  
OF WASTE OF OIL AND GAS )

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, August 9, 2017, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. The agenda for that meeting is as follows:

1. Call to order
2. Approval of minutes of June 14, 2017, business meeting
3. Public comment on agenda and non-agenda items
4. Rulemaking procedures
5. Proposed hearing schedule for 2018
6. Financial report
7. Plugging and reclamation program update
8. Bond summary & incident report
9. Docket summary
10. Gas flaring exceptions
11. Staff reports
12. Other business

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at 8:00 a.m. on Thursday, August 10, 2017, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Erin Ricci at (406) 444-6731 or Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

Docket 33-2017

**APPLICANT: ST. CROIX OPERATING, INC. – ROOSEVELT COUNTY, MONTANA**

Upon the application of **St. Croix Operating, Inc.** to vacate or amend Board Order 153-2009 to authorize the drilling of a Duperow Formation test well anywhere within the temporary spacing unit comprised of SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 25, SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 26, NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 35 and NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 36, T32N-R48E, Roosevelt County, Montana, but not closer than 660' to the exterior boundaries thereof. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 34-2017

**APPLICANT: MCCARTNEY FAMILY MINERAL TRUST – ROOSEVELT COUNTY, MONTANA**

Upon the application of the **McCartney Family Mineral Trust**, for an order to vacate the non-consent penalties against said trust imposed by Board Order 240-2014 for the Manush 1-12H well located in all of Sections 1 and 12, T29N-R58E, Roosevelt County, Montana.

Docket 35-2017

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 35 and 36, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Farrah 35-36 #1H well.

Docket 36-2017

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 35 and 36, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Farrah 35-36 #1H well.

Docket 37-2017

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 27 and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Fallon 27-28 #1H well.

Docket 38-2017

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 27 and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Fallon 27-28 #1H well.

Docket 39-2017

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

Upon the application of **Kraken Oil & Gas LLC** to designate a permanent spacing unit comprised of all of Sections 33 and 34, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation with respect to the Shayla 34-33 #1H well.

Docket 40-2017

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

Upon the application of **Kraken Oil & Gas LLC** to pool all interests in the permanent spacing unit comprised of all of Sections 33 and 34, T27N-R57E, Richland and Roosevelt Counties, Montana, for the production of oil and associated natural gas from the Bakken/Three Forks Formation and to authorize the recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Shayla 34-33 #1H well.

Docket 41-2017

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 380-2011 to authorize the drilling of a horizontal Bakken/Three Forks Formation well anywhere within the temporary spacing unit comprised of all of Sections 16 and 21, T27N-R57E, Richland and Roosevelt Counties, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well commence within one year of the date of the order issued by the Board. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 42-2017

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

Upon the application of **Kraken Oil & Gas LLC** to amend Board Order 380-2011 to authorize the drilling of a horizontal Bakken/Three Forks Formation well anywhere within the temporary spacing unit comprised of all of Sections 17 and 20, T27N-R57E, Richland and Roosevelt Counties, Montana, but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well commence within one year of the date of the order issued by the Board. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 43-2017

**APPLICANT: BRISCOE PETROLEUM, LLC – BIG HORN COUNTY, MONTANA**

Upon the application of **Briscoe Petroleum, LLC** to drill an Amsden Formation oil and gas test well at a proposed well location approximately 2,558' FNL and 549' FEL in Section 20, T1N-R34E, Big Horn County, Montana, as an exception to A.R.M. 36.22.702. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 44-2017

**APPLICANT: CLINE PRODUCTION COMPANY – ROSEBUD COUNTY, MONTANA**

Upon the application of **Cline Production Company** to convert the CM Federal 34-30 well (API #25-087-21655) located in the SW¼SE¼ of Section 30 (1,875' FEL and 338' FSL), T12N-R33E, Rosebud County, Montana (Wildcat) to an enhanced recovery injection well in the Tyler "C" Formation at a depth of approximately 5520-5562 ft. Staff notes this application is eligible for placement on the default docket.

Docket 19-2017

Continued from June 2017

**APPLICANT: ENERPLUS RESOURCES USA CORPORATION – RICHLAND COUNTY, MONTANA**

Upon the application of **Enerplus Resources USA Corporation** to authorize the continuation of the pilot enhanced class II recovery project for the Bullwinkle-Yahoo #4-1-HSU well located in the permanent spacing unit comprised of all of Sections 3 and 4, T23N-R57E, Richland County, Montana for a period not to exceed 36 months from the commencement of injection operations.

Docket 45-2017  
**SHOW-CAUSE HEARING**

**RESPONDENT: BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC – RICHLAND COUNTY, MONTANA**

Upon the Board's own motion to require **Black Gold Energy Resource Development, LLC** to appear and show cause, if any it has, why additional penalties should not be assessed for failure to pay the outstanding fine and for failure to submit a written plan of its proposed action to remedy the violation at the the Indian Mound 1 well located in the SW¼SW¼ of Section 15, T23N-R55E, Richland County, Montana within 15 days of the June 15, 2017, public hearing.

Docket 46-2017  
**SHOW-CAUSE HEARING**

**RESPONDENT: STEALTH ENERGY USA, INC. – MUSSELSHELL AND STILLWATER COUNTIES, MONTANA**

Upon the Board's own motion to require **Stealth Energy USA, Inc.** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to file production reports and to pay the administrative penalty assessed for delinquent reporting. In accordance with Board policy the amount due now is \$280.00. This docket will be dismissed if payment is received prior to the hearing. Failure to appear at the Show Cause hearing or to make suitable arrangements prior to said hearing subjects Stealth Energy USA, Inc. to further penalties as prescribed by Board Policy.

Docket 338-2014  
**SHOW-CAUSE HEARING**  
Continued from June 2015

**RESPONDENT: K2 AMERICA CORPORATION – GLACIER COUNTY, MONTANA**

Upon the Board's own motion to require **K2 America Corporation** to appear and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline for plugging its wells.

Docket 49-2016  
**SHOW-CAUSE HEARING**  
Continued from October 2016

**RESPONDENT: STORM CAT ENERGY (USA) OPERATING CORPORATION – BIG HORN COUNTY, 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.

BOARD OF OIL AND GAS CONSERVATION

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Erin Ricci  
Administrative Assistant