

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 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.

ORDER 35-2017

Docket No. 35-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 34-2016. Applicant has completed the Farrah 35-36 #1H well as a producing well.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of § 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 all of Sections 35 and 36, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Farrah 35-36 #1H well.

BOARD ORDER NO. 35-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 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.

ORDER 36-2017

Docket No. 36-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 35-2017.
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 § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 35 and 36, T27N-R57E, Richland and Roosevelt Counties, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

BOARD ORDER NO. 36-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 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.

ORDER 37-2017

Docket No. 37-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 144-2015. Applicant has completed the Fallon 27-28 #1H well as a producing well.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of § 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 all of Sections 27 and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Fallon 27-28 #1H well.

BOARD ORDER NO. 37-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 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.

ORDER 38-2017

Docket No. 38-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 37-2017. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 27 and 28, T27N-R57E, Richland and Roosevelt Counties, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Fallon 27-28 #1H well.

BOARD ORDER NO. 38-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist



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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 33 AND 34, 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.

ORDER 39-2017

Docket No. 39-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 145-2015. Applicant has completed the Shayla 34-33 #1H well as a producing well.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of § 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 all of Sections 33 and 34, T27N-R57E, Richland and Roosevelt Counties, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken/Three Forks Formation from the Shayla 34-33 #1H well.

BOARD ORDER NO. 39-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 33 AND 34, 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.

ORDER 40-2017

Docket No. 40-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 39-2017.
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 § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Sections 33 and 34, T27N-R57E, Richland and Roosevelt Counties, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

BOARD ORDER NO. 40-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 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.

ORDER 41-2017

Docket No. 41-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. 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 Order 380-2011 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 16 and 21, T27N-R57E, Richland and Roosevelt Counties, Montana, anywhere in said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

BOARD ORDER NO. 41-2017

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 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.

ORDER 42-2017

Docket No. 42-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. 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 Order 380-2011 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 17 and 20, T27N-R57E, Richland and Roosevelt Counties, Montana, anywhere in said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

BOARD ORDER NO. 42-2017

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist



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

ORDER 43-2017

Docket No. 43-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. 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 Briscoe Petroleum, LLC is authorized to drill an Amsden Formation oil and gas test well at the proposed location of 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.

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

BOARD ORDER NO. 43-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

ORDER 44-2017

Docket No. 19-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. 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 ARM 36.22.1229 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Enerplus Resources USA Corporation is authorized to continue a pilot enhanced recovery project in the Bakken Formation involving all of Sections 3 and 4, T23N-R57E, Richland County, Montana.

IT IS FURTHER ORDERED that the injection period authorized under this order is limited to 36 months from the date of initial injection or until March 4, 2019.

BOARD ORDER NO. 44-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF 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 INDIAN MOUND 1 WELL LOCATED IN THE SW $\frac{1}{4}$ SW $\frac{1}{4}$  OF SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA WITHIN 15 DAYS OF THE JUNE 15, 2017, PUBLIC HEARING.

ORDER 45-2017

Docket No. 45-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 Black Gold Energy Resource Development, LLC (Black Gold).
3. At the August 10, 2016, business meeting, Black Gold was brought to the Board for an unreported significant spill violation that took place on or before June 26, 2016, at the Indian Mound 1 SWD well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 15, T23N, R55E, Richland County, Montana.
4. Black Gold failed to file a spill report and failed to make any cleanup progress on the spill and was then docketed for the October 27, 2016, hearing to show cause why additional penalties should not be assessed for failure to clean up the spill.
5. At the October 27, 2016, hearing, Chris Blount appeared and stated compliance would be achieved prior to the deadline of December 1, 2016, after which a \$250 fine per day was to be instated until compliance was achieved for the well.
6. Black Gold did not achieve compliance prior to the deadline and the daily fine was instated. As of today, the total fine amounts to \$62,750.
7. At the June 15, 2017, public hearing Black Gold's injection permit was suspended until further order of the Board and it was directed that no additional waste or materials were to be transported to or stored at the wellsite. Black Gold was to submit a written plan of its action to remedy the violation within 15 days of the June hearing and remedy the violations on or before August 10, 2017, public hearing.
8. Black Gold did not submit a written plan and compliance was not achieved prior to this hearing.

BOARD ORDER NO. 45-2017

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

Conclusions of Law

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 Black Gold Energy Resource Development, LLC begin to plug and abandon and reclaim the well location or provide an alternative remedy to present to the Board for the Indian Mound 1 SWD well located in the NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 15, T23N, R55E, Richland County, Montana prior to the October 26, 2017, public hearing. The failure to begin to plug and abandon and reclaim the well or provide an alternative remedy as required by this order may result in forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

IT IS FURTHER ORDERED that Black Gold Energy Resource Development, LLC is fined \$2,000 for failure to appear at the June 15, 2017, and August 10, 2017, public hearings.

IT IS FURTHER ORDERED that the \$250 fine for each day after December 1, 2016, that the violations remain unresolved will be increased to a \$500 fine for each day after August 10, 2017. The fine will remain in effect until compliance is confirmed by inspection.

BOARD ORDER NO. 45-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

\_\_\_\_\_  
Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

ORDER 46-2017

Docket No. 46-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 Stealth Energy USA, Inc.
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 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 Stealth Energy USA, Inc. is to appear at the October 26, 2017, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, to pay the penalty assessed for delinquent reporting, and to appear at the August 10, 2017, public hearing.

IT IS FURTHER ORDERED that Stealth Energy USA, Inc. is fined \$1,000 for failure to appear at the August 10, 2017, public hearing.



BOARD ORDER NO. 46-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE K2 AMERICA CORPORATION TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS WELLS.

ORDER 47-2017

Docket No. 338-2014

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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 K2 America Corporation (K2).

3. At the June 15, 2017, public hearing, Kimberly Yeomans, employee of K2, submitted a letter requesting additional time to plug or transfer the wells that remain on its plugging and reclamation bond.

4. K2 was ordered to submit a satisfactory plan of its intent to plug and abandon or transfer its wells and submit the minutes from its Board of Director's meeting that discussed its plan for its wells prior to the August 10, 2017, public hearing.

5. No one appeared on behalf of K2, but an email was received from Kimberly Yeomans requesting additional time to turn in its written plan for plugging its wells and the minutes from the director's meeting.

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.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 338-2014 is continued until the October 26, 2017, public hearing.

BOARD ORDER NO. 47-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

---

Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, 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 48-2017

Docket No. 49-2016

Report of the Board

The above entitled cause came on regularly for hearing on August 10, 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. Chris Naro, employee of Storm Cat Energy (USA) Operating Corporation (Storm Cat), appeared on behalf of Storm Cat, and informed the Board that the bankruptcy court had issued the final sale order in July to Summit Gas Resources (Summit) and that the plugging and reclamation bond currently held by Storm Cat will be transferred to Summit.
3. 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 October 26, 2017, public hearing.

BOARD ORDER NO. 48-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 10<sup>th</sup> day of August, 2017.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Ronald S. Efta, Chairman

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Steven Durrett, Vice-Chairman

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Paul Gatzemeier, Board Member

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Mac McDermott, Board Member

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Peggy Ames Nerud, Board Member

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Dennis Trudell, Board Member

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Corey Welter, Board Member

ATTEST:

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Jennifer Breton, Program Specialist