

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

UPON THE APPLICATION OF TRUE OIL LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE E½ OF SECTION 20, T28N-R56E, ROOSEVELT COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MISSION CANYON 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 CONSOLIDATED STATE #42-20 WELL.

ORDER 49-2017

Docket No. 48-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 20-1980.
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 the E½ of Section 20, T28N-R56E, Roosevelt County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Mission Canyon Formation.

BOARD ORDER NO. 49-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 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 49-2011 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 4 AND 9, T28N-R59E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL 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 50-2017

Docket No. 49-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 49-2011 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 4 and 9, T28N-R59E, Roosevelt County, 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. 50-2017

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 26th day of October, 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 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 47-2010 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T28N-R59E, ROOSEVELT COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELL 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 51-2017

Docket No. 50-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 47-2010 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 5 and 8, T28N-R59E, Roosevelt County, 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. 51-2017

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 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE W½
OF SECTION 29 AND THE NE¼, N½SE¼, AND SE¼SE¼ OF SECTION
30, T7N-R60E, FALLON COUNTY, MONTANA, TO DRILL A
HORIZONTAL MISSION CANYON FORMATION WELL ANYWHERE
WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 170'
(HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE
EXTERIOR BOUNDARIES THEREOF.

ORDER 52-2017

Docket No. 51-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. At the time of hearing, John Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 500' would be adequate for the proposed 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 the W½ of Section 29 and the NE¼, N½SE¼, SE¼SE¼ of Section 30, T7N-R60E, Fallon County, Montana, is designated a temporary spacing unit to drill a horizontal Mission Canyon Formation well anywhere within said temporary spacing unit at any location not closer than 170' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

BOARD ORDER NO. 52-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE E $\frac{1}{2}$,
E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, AND THE NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 19, T7N-R60E,
FALLON COUNTY, MONTANA, TO DRILL A HORIZONTAL
MISSION CANYON FORMATION WELL ANYWHERE WITHIN SAID
SPACING UNIT BUT NOT CLOSER THAN 170' (HEEL/TOE
SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR
BOUNDARIES THEREOF.

ORDER 53-2017

Docket No. 52-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. At the time of hearing, John Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 500' would be adequate for the proposed 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 the E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, T7N-R60E, Fallon County, Montana, is designated a temporary spacing unit to drill a horizontal Mission Canyon Formation well anywhere within said temporary spacing unit at any location not closer than 170' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

BOARD ORDER NO. 53-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO
CREATE AN OVERLAPPING TEMPORARY SPACING UNIT
COMPRISED OF ALL OF SECTION 18 AND THE N½ OF SECTION 19,
T7N-R60E, FALLON COUNTY, MONTANA, TO DRILL A
HORIZONTAL MISSION CANYON FORMATION WELL ANYWHERE
WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200'
(HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE
EXTERIOR BOUNDARIES THEREOF.

ORDER 54-2017

Docket No. 53-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. At the time of hearing, John Lee, attorney for the applicant, stated that a 660' lateral setback rather than the requested 500' would be adequate for the proposed 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 Section 18 and the N½ of Section 19, T7N-R60E, Fallon County, Montana, is designated a temporary spacing unit to drill a horizontal Mission Canyon Formation well anywhere within said temporary spacing unit at any location not closer than 200' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

BOARD ORDER NO. 54-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF 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 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, AT A PROPOSED WELL LOCATION OF 130' FNL AND 190' FWL OF SECTION 36, T32N-R48E, ROOSEVELT COUNTY, MONTANA. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 55-2017

Docket No. 54-2017 / 2-2010 FED, AMENDMENT NO. 1

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. Member Corey Welter recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, 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 Board Order 153-2009 is amended to drill a Duperow Formation test well at the proposed location of approximately 130' FNL and 190' FWL of Section 36, T32N-R48E, Roosevelt County, Montana.

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

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.

BOARD ORDER NO. 55-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF SYNERGY OFFSHORE LLC TO CONVERT THE S-802 WELL (API #25-035-06248) LOCATED IN THE NE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 2 (342' FNL AND 347' FEL), T34N-R6W, GLACIER COUNTY, MONTANA (CUT BANK FIELD) TO A SALTWATER DISPOSAL WELL IN THE MADISON FORMATION AT A DEPTH OF APPROXIMATELY 3015 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE WATER IN THE INJECTION FORMATION CONTAINS LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 58-2017

Docket No. 55-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Synergy Offshore LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 58-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF HYDRA MT LLC TO RE-ENTER THE PLUGGED KITTLESON 3-5 WELL (API #25-083-21777) LOCATED IN THE NW¼NE¼ OF SECTION 5 (1,120' FNL AND 1,700' FEL), T25N-R59E, RICHLAND COUNTY, MONTANA (CATTAILS FIELD) AND RECOMPLETE IT AS A SALTWATER DISPOSAL WELL IN THE DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 5,311-5,782 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE WATER IN THE INJECTION FORMATION CONTAINS LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 59-2017

Docket No. 56-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Hydra MT LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 59-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF VANGUARD OPERATING, LLC, TO CONVERT THE EBET2-001 WELL (API #25-009-05059) LOCATED IN THE SW¼SW¼ OF SECTION 27 (990' FSL AND 990' FWL), T9S-R23E, CARBON COUNTY, MONTANA (ELK BASIN FIELD) TO AN ENHANCED RECOVERY INJECTION WELL IN THE EMBAR-TENSLEEP FORMATION AT A DEPTH OF APPROXIMATELY 5,370-5,551 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE WATER IN THE INJECTION FORMATION CONTAINS LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 60-2017

Docket No. 57-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Vanguard Operating, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 60-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE APPLICATION OF WHITE ROCK OIL AND GAS, LLC,
FOR AN ORDER PURSUANT TO A.R.M. 36.22.1229 AUTHORIZING
INJECTION OF DUPEROW GAS PRODUCED FROM ITS VAIRA #B-1
WELL (API #25-083-25018) INTO EITHER THE DUPEROW OR
GUNTON FORMATION THROUGH THE WELLBORE OF ITS VAIRA
#2-35X WELL (API #25-083-22499), LOCATED IN THE NE¼ OF
SECTION 35, T25N-R54E, RICHLAND COUNTY, MONTANA.

ORDER 56-2017

Docket No. 58-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. Due to high levels of H2S in the well, staff recommended a detailed safety plan be submitted and approved prior to the commencement of injection.
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 § 82-11-124, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that White Rock Oil and Gas, LLC is authorized to inject Duperow Gas produced from the Vaira #B-1 well into the Duperow Formation through the wellbore of the Vaira #2-35X well located in the NE¼ of Section 35, T25N-R54E, Richland County, Montana.

IT IS FURTHER ORDERED that White Rock Oil and Gas, LLC must submit a satisfactory safety plan for board staff approval prior to injection. Any concerns or issues with the plan will be referred to the Board at its next public hearing.

BOARD ORDER NO. 56-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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

Dennis Trudell, Board Member

Corey Welter, Board Member

I dissent

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF WHITE ROCK OIL AND GAS, LLC, TO CONVERT THE VAIRA 2-35X WELL (API #25-083-22499) LOCATED IN THE NW¼NE¼ OF SECTION 35 (883' FNL AND 2,037' FEL), T25N-R54E, RICHLAND COUNTY, MONTANA (SPRING LAKE FIELD) TO AN ENHANCED RECOVERY INJECTION WELL IN THE DUPEROW FORMATION AT A DEPTH OF APPROXIMATELY 10,349-10,361 FT., AND/OR A FLUID DISPOSAL WELL IN THE GUNTON FORMATION AT A DEPTH OF APPROXIMATELY 11,414-11,436 FT.

ORDER 61-2017

Docket No. 59-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of White Rock Oil and Gas, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 61-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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

Dennis Trudell, Board Member

Corey Welter, Board Member

I dissent

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

ORDER 57-2017

Docket No. 34-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 239-2014. The operator at the time, Continental Resources Inc., was unable to acquire voluntary pooling of all interested within the spacing unit, established by Montana Board of Oil and Gas Conservation Order 240-2014.
3. McCartney Family Mineral Trust (McCartney) was an owner of record at the time the well proposal for the Manush 1-12H well was sent but was deemed as unlocatable. McCartney properly filed a change of address notice four years prior to the well proposal which would have been available in the records of the office of the clerk and recorder.
4. The current operator, Kraken Operating, LLC, stopped the non-consent penalties against McCartney.
5. 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 notice requirements of § 82-11-141(4)(b) M.C.A. were not met and Board Order 240-2014 should be vacated with respect to interests of the McCartney Family Mineral Trust.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Board Order 240-2014 pertaining to the pooling of interests within Sections 1 and 12, T29N-R58E, Roosevelt County, Montana, are hereby vacated with respect to interests of the McCartney Family Mineral Trust.

BOARD ORDER NO. 57-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF 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 5,520-5,562 FT.

ORDER 62-2017

Docket No. 44-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Cline Production Company is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 62-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 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 ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS 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 AS REQUIRED BY BOARD ORDER 45-2017, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 63-2017

Docket No. 60-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. Chris Blount appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold). Mr. Blount acknowledged the outstanding issues and requested a continuance to the December 14, 2017, public hearing to have additional time to cleanup on the Indian Mound 1 well.
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. Black Gold did not achieve compliance prior to the deadline and the daily fine was instated.
6. 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. Black Gold did not submit a written plan and compliance was not achieved prior to this hearing.

BOARD ORDER NO. 63-2017

7. At the August 10, 2017, public hearing, Black Gold was ordered to 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 prior to the October 26, 2017, public hearing. Black Gold did not submit a written plan and compliance was not achieved prior to this hearing and the \$250 fine for each day after December 1, 2016, that the violations remain unresolved increased to a \$500 fine for each day after August 10, 2017. The fine remains in effect until compliance is confirmed by inspection. Black Gold was also fined \$2,000 for failure to appear at the June 15, 2017, and August 10, 2017, public hearings. This fine is still outstanding.

8. As of today, the total fine amounts to \$103,250.

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 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 60-2017 is continued until the December 14, 2017, public hearing.

IT IS FURTHER ORDERED that Black Gold Energy Resource Development, LLC must submit a written plan of action to remedy the violations at the Indian Mound 1 well within one week of the order. If staff deems the plan acceptable, the daily fine will be suspended.

BOARD ORDER NO. 63-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 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 ASSESSED FOR FAILURE TO FILE DELINQUENT PRODUCTION REPORTS, FOR FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE AUGUST 10, 2017, PUBLIC HEARING.

ORDER 64-2017

Docket No. 61-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 (Stealth).
3. Stealth has not paid the outstanding fine in the amount of \$1,280 and has not filed delinquent production reports.
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated 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. appear at the December 14, 2017 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment of its wells, and why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting and to appear at the October 25, 2017, public hearing.

BOARD ORDER NO. 64-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BENSUN ENERGY, LLC 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 \$260.00. THIS DOCKET WILL BE DISMISSED IF DELINQUENT REPORTS AND PAYMENT ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS BENSUN ENERGY, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 65-2017

Docket No. 62-2017

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 Bensun Energy, LLC (Bensun).
3. Staff noted that Bensun has outstanding field violations that need to be remedied.
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 65-2017

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Bensun Energy, LLC is to appear at the December 14, 2017, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to appear at the October 26, 2017, public hearing.

IT IS FURTHER ORDERED that Bensun Energy, LLC is fined \$1,000 for failure to appear at the October 26, 2017, public hearing.

IT IS FURTHER ORDERED that Bensun Energy, LLC provide to the Board a progress update of its efforts to come into full compliance with field violations.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 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 66-2017

Docket No. 338-2014

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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. Staff recommended that the plugging and reclamation bond of K2 be forfeited for failure to begin to plug its wells or to provide a plan for plugging its wells
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated 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 the plugging and reclamation bond for K2 America Corporation is hereby forfeited.

BOARD ORDER NO. 66-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 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 67-2017

Docket No. 49-2016

Report of the Board

The above entitled cause came on regularly for hearing on October 26, 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 George Schoonmaker appeared on behalf of Summit Gas Resources (Summit).

3. As required by the bankruptcy court issued in July, Storm Cat submitted the change of operator request for its two wells to be transferred to Summit and Summit is working on transferring the plugging and reclamation bond.

4. Staff recommended the docket be dismissed.

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 dismissed.

BOARD ORDER NO. 67-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 26th day of October, 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 Breton, Program Specialist