

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 16-2011 TO AUTHORIZE THE DRILLING OF A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, T28N-R58E, 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 68-2017

Docket No. 63-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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 concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Order 16-2011 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 15 and 22, T28N-R58E, 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. 68-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 17-2011 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, T28N-R58E, 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 69-2017

Docket No. 64-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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 concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Order 17-2011 is amended to authorize the drilling of a horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 16 and 21, T28N-R58E, 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. 69-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 KRAKEN OIL & GAS LLC TO AMEND BOARD ORDER 50-2016 TO AUTHORIZE THE DRILLING OF FIVE HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 25 AND 26, T27N-R57E, 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 70-2017

Docket No. 65-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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 50-2016.
3. Evidence presented at the time of the hearing supports the drilling of five horizontal Bakken/Three Forks interval wells in Section 25 and 26, T27N-R57E, Roosevelt County, Montana.
4. 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 concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 70-2017

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas, LLC is authorized to drill five horizontal Bakken/Three Forks Formation wells in the temporary spacing unit comprised of all of Sections 25 and 26, T27N-R57E, Roosevelt County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

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 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 BOARD'S OWN MOTION TO REQUIRE STEALTH ENERGY USA, INC. TO APPEAR 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 26, 2017, PUBLIC HEARING.

ORDER 71-2017

Docket No. 75-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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. 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 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 that Stealth begin to plug and abandon its wells prior to the February 15, 2018, public hearing. The failure to begin to plug and abandon the wells 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.

BOARD ORDER NO. 71-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 BOARD'S OWN MOTION TO REQUIRE BENSUN ENERGY, LLC TO PROVIDE TO THE BOARD A PROGRESS UPDATE OF ITS EFFORTS TO COME INTO FULL COMPLIANCE WITH FIELD VIOLATIONS 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.

ORDER 72-2017

Docket No. 76-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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. A certified letter identifying reporting violations under ARM 36.22.1242 was sent to Bensun on August 25, 2017. The letter was returned as undeliverable on September 18, 2017.
4. A certified letter identifying violations of ARM 36.22.1101 and 36.22.1104 at the Gartner Denowh 31-7H well was sent to Bensun on August 31, 2017. The letter was returned as undeliverable on September 25, 2017.
5. A show-cause hearing was scheduled for October 26, 2017, under the Board's policy for reporting violations under 36.22.1242.
6. Mr. Bensun was personally notified of the reporting violations, known field violations, and show-cause hearing scheduled for October 26, 2017, during a telephone call on September 29, 2017, with Compliance Specialist John Gizicki.
7. At the October 26, 2017, hearing, no one appeared on behalf of Bensun Energy, LLC, and neither the reporting violations nor the violations at the Gartner Denowh 31-7H well were resolved.

BOARD ORDER NO. 72-2017

8. At the October hearing, the Board was informed of additional violations by Bensun that had been referred from field inspectors since notice of the hearing for reporting violations was published. Violations included:

- ARM 36.22.1101 (Fire Hazard Prevention) violations for the following wells: Bedwell 33-52 1-1H, Richardson 25 1, Friedrich Trust 31 1, and Loucks 33-27 wells.
- ARM 33.22.1104 (Control and Cleanup) violations for the following wells: Richardson 30 1, Friedrich Trust 31 1, and Loucks 33-27 wells.

9. Order 65-2007 was issued at the October 26, 2017, hearing. A fine of \$1,000 for failure to appear was assessed and Bensun was directed to appear at the Board's December 14, 2017, hearing to show cause why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty for delinquent reporting, and failure to appear at the October hearing. In the order, the Board also requested that an update as to Bensun's progress with respect to the identified field violations be provided.

10. On October 30, 2017, Montana Pallet Art & Design delivered a check on behalf of Bensun to cover the delinquent reporting penalty and \$1,000 fine for failure to appear at the October hearing. No production reports were submitted.

11. On November 7, 2017, a letter was sent to Bensun identifying outstanding compliance issues, including failure to file required reports. The letter also stated that Bensun would be expected to appear at the Board's December hearing.

12. Notice of the show-cause hearing to be held on December 14, 2017, was mailed to Bensun on November 16, 2017. On December 12, 2017, Bensun sent an email to the Board's Billings office stating that he had moved to Texas and providing a new mailing address.

13. On December 13, 2017, Bensun was again notified by email of the requirement to appear at the December hearing. The email was sent by Compliance Specialist John Gizicki. Later that day, Mr. Bensun called and sent an email stating that he would be unable to attend the hearing.

14. At the time of hearing in December, delinquent reports had not been submitted and only the violations of ARM 36.22.1101 and 36.22.1104 at the Gartner Denowh 31-7H well had been addressed.

15. Compliance Specialist John Gizicki told the Board that Mr. Bensun stated that he was willing to appear at the February hearing.

16. 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

1. The Board concludes that Bensun continues to produce its wells while in violation of ARM 36.22.1101, ARM 36.22.1104, ARM 36.22.1242, and Board Order 65-2017.

2. The Board concludes that the requirements of illegal production under ARM 36.22.1245 have been demonstrated.

Order

IT IS THEREFORE ORDERED by the Board that Bensun immediately cease operation of its wells until violations are remedied and authorization to resume production is granted by the Board's administrator. The wells operated by Bensun that are subject to this order are:

Loucks 33-27	API # 25-091-21676
Bedwell 33-52 1-1H	API # 25-091-21920
Gartner Denowh 31-7H	API # 25-083-21846
Richardson 25 1	API # 25-091-21852
Richardson 30 1	API # 25-091-21856
Friedrich Trust 31 1	API # 25-091-21859

IT IS FURTHER ORDERED that Bensun is fined \$1,000 for failure to appear at the December 14, 2017, public hearing.

IT IS FURTHER ORDERED by the Board that Docket 76-2017 is continued until the February 15, 2018, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 BOARD'S OWN MOTION TO REQUIRE HINTO 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 INJECTION 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 PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HINTO ENERGY, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 73-2017

Docket No. 77-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Hinto Energy, LLC (Hinto).
3. Hinto has not paid the outstanding fine in the amount of \$260 or filed production reports, as required under ARM 36.22.1242.
4. Hinto has filed for bankruptcy. Board staff will contact the bankruptcy court to notify it of Hinto's reporting violation with the Board.
5. Staff recommended the docket be continued until the February 15, 2018, public hearing. At that time, Board staff should have an update on Hinto from the bankruptcy court.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 77-2017 is continued until the February 15, 2018, public hearing.

BOARD ORDER NO. 73-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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 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 74-2017

Docket No. 60-2017

Report of the Board

The above entitled cause came on regularly for hearing on December 14, 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. Chairman Ronald S. Efta and member Corey Welter were absent. 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 is working on the outstanding compliance issues. Mr. Blount requested the Board to reinstate Black Gold's injection permit for the Indian Mound 1 well to assist in the cleanup of the wellsite.
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. 74-2017

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 the October 26, 2017, 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. At the October 26, 2017, public hearing, Black Gold was ordered to submit a written plan of its action to remedy the violation within seven days of the October hearing for the daily fine to be suspended. On November 15, 2017, Black Gold submitted a written plan of action; the plan was turned in after the deadline, so the daily fine continued to accrue.

9. Black Gold did not achieve compliance prior to December 14, 2017, public hearing.

10. As of today, the total fine has reached \$125,000.

11. 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 concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED that Black Gold injection permit for 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 is temporarily reinstated for a year for disposal of fluid on location. Commercial injection into the well is not permitted.

IT IS FURTHER ORDERED that Black Gold must submit an updated written plan of action to remedy the violations at the Indian Mound 1 well within one week of this order.

IT IS FURTHER ORDERED by the Board that Docket 60-2017 is continued until the February 15, 2018, public hearing.

BOARD ORDER NO. 74-2017

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 14th day of December, 2017.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

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