

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

UPON THE APPLICATION OF BRISCOE PETROLEUM, LLC TO  
CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE  
E $\frac{1}{2}$ SE $\frac{1}{4}$  OF SECTION 31 AND THE W $\frac{1}{2}$ SW $\frac{1}{4}$  OF SECTION 32, T1N-  
R35E, BIG HORN COUNTY, MONTANA, TO DRILL AN AMSDEN  
FORMATION OIL AND GAS TEST AT A PROPOSED WELL  
LOCATION APPROXIMATELY 36' FWL AND 1,275' FSL IN  
SECTION 32, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 12-2018

Docket No. 10-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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, requested a 660' setback from the temporary spacing unit exterior boundaries instead of the proposed approximate location.
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 concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 31 and the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 32, T1N-R35E, Big Horn County, Montana, is designated a temporary spacing unit to drill an Amsden Formation oil and gas test well, anywhere in said spacing unit, but not closer than 660' to the exterior boundaries thereof.

IT IS FURTHER ORDERED that the temporary spacing unit created by this order will terminate if the proposed well is drilled and is not completed as a well capable of production.

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

BOARD ORDER NO. 12-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 XTO ENERGY INC FOR APPROVAL OF  
A PILOT ENHANCED RECOVERY PROJECT PURSUANT TO A.R.M.  
36.22.1229 IN THE BAKKEN FORMATION INVOLVING ALL OF  
SECTIONS 15 AND 22, T24N-56E, RICHLAND COUNTY, MONTANA,  
FOR A PERIOD NOT TO EXCEED EIGHTEEN MONTHS FROM THE  
COMMENCEMENT OF INJECTION OPERATIONS.

ORDER 13-2018

Docket No. 11-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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 concludes that the applicant demonstrated the requirements of ARM 36.22.1229 have been met.

Order

IT IS THEREFORE ORDERED by the Board that XTO Energy, Inc. is authorized to commence a pilot enhanced recovery project in the Bakken Formation involving all of Sections 15 and 22, T24N-R56E, Richland County, Montana.

IT IS FURTHER ORDERED that the injection period authorized under this order is limited to 18 months from the date of initial injection.

BOARD ORDER NO. 13-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 DETERMINE WHETHER WHITE ROCK OIL & GAS, LLC'S CURRENT \$50,000 MULTIPLE WELL PLUGGING AND RECLAMATION BOND IS ADEQUATE TO COVER THE WELLS ON THE PENDING CHANGE OF OPERATOR REQUESTS FROM VANGUARD OPERATING LLC AND OASIS PETROLEUM NORTH AMERICA LLC, OR IF THE BOND AMOUNT SHOULD BE DOUBLED, OR IF THE NUMBER OF WELLS COVERED BY THE MULTIPLE WELL BOND SHOULD BE LIMITED, IN ACCORDANCE WITH ARM 36.22.1308(3).

ORDER 15-2018

Docket No. 12-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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. Brett Keener, vice president of operations, appeared on behalf of White Rock Oil & Gas, LLC (White Rock).
3. At the February 14, 2018, business meeting, the Board and its staff reviewed White Rock's pending change of operator requests from Vanguard Operating LLC and Oasis Petroleum North America LLC. If the requests were approved without reviewing White Rock's bond, White Rock's \$50,000 multiple well plugging and reclamation bond would cover 170 wells, including approximately 108 producing and 62 shut-in wells. Due to the high number of shut-in wells with the potential for significant future plugging liability, the Board followed ARM 36.22.1308(3) and required White Rock to appear at the April 19, 2018, public hearing to review its bond.
4. The Board determined that White Rock's current \$50,000 multiple well plugging and reclamation bond was not adequate and required the bond amount to be doubled to \$100,000, in accordance with ARM 36.22.1308(3).
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 concludes that taking the following action is appropriate.

BOARD ORDER NO. 15-2018

Order

IT IS THEREFORE ORDERED by the Board that White Rock immediately increase its plugging and reclamation bond to \$100,000.

IT IS FURTHER ORDERED that the pending change of operator requests will be approved once the additional bonding amount of \$50,000 is received.

IT IS FURTHER ORDERED that White Rock appear at the October 2019, public hearing to provide the Board a progress update of its efforts to reduce its plugging liability.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 VACATE BOARD ORDER 18-1969, WHICH APPROVED A WATERFLOOD PROJECT IN THE BUTTES-KEG COULEE (TYLER 'C' SAND) UNIT, MUSSELSHELL COUNTY, MONTANA. THE FEDERAL SECONDARY RECOVERY UNIT WAS TERMINATED BY THE BUREAU OF LAND MANAGEMENT EFFECTIVE SEPTEMBER 27, 2017.

ORDER 18-2018

Docket No. 13-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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. State approval of the Buttes-Keg Coulee Tyler "C" Sand Unit was granted under Board Order 18-1969.
3. The Bureau of Land Management (BLM) terminated the unit effective September 27, 2017.
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Board Order 18-1969 is hereby vacated.

BOARD ORDER NO. 18-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 XTO ENERGY INC. TO CONVERT THE DONNA 31X-15BXC WELL (API #25-083-22876) LOCATED IN THE NW¼NE¼ OF SECTION 15, T24N-R56E, RICHLAND COUNTY, MONTANA (WILDCAT) TO AN ENHANCED RECOVERY INJECTION WELL IN THE BAKKEN FORMATION AT A DEPTH OF APPROXIMATELY 10,411-10,444 FT TVD.

ORDER 14-2018

Docket No. 14-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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 concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that XTO Energy, Inc. is authorized to convert the Donna 31X-15BXC well (API # 25-083-22876) located in the NW¼NE¼ of Section 15, T24N-R56E, Richland County, Montana, to an enhanced recovery injection well in the Bakken Formation at a depth of approximately 10,411-10,444 feet TVD, subject to stipulations on the sundry notice.

BOARD ORDER NO. 14-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 HYDRA MT LLC TO DRILL A  
SALTWATER DISPOSAL WELL IN THE NW¼SW¼ OF SECTION 26,  
T27N-R57E, ROOSEVELT COUNTY, MONTANA (WILDCAT) TO THE  
DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 4,549-  
5,370 FT.

ORDER 16-2018

Docket No. 15-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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 concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

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

BOARD ORDER NO. 16-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 BALKO, INC. TO CONVERT THE CASKEY 44-5 WELL (API #25-099-21253) LOCATED IN THE SE¼SE¼ OF SECTION 5, T25N-R3W, TETON COUNTY, MONTANA (RUNAWAY FIELD) TO A SALTWATER DISPOSAL WELL IN THE MADISON FORMATION AT A DEPTH OF APPROXIMATELY 1,785 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 17-2018

Docket No. 74-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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 concludes that the applicant demonstrated the requirements of ARM 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board that the application of Balko, Inc. is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 17-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 SLAWSON EXPLORATION COMPANY INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SECTION 3, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> OF SECTION 4, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> OF SECTION 9 AND NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 10, T25N-R52E, RICHLAND COUNTY, MONTANA, TO RECOMPLETE THE SABER 1-4H WELL, LOCATED APPROXIMATELY 530' FSL, 300' FEL IN SECTION 4, AS A CHARLES FORMATION WELL.

ORDER 19-2018

Docket No. 2-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, 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 concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Slawson Exploration Company Inc. is authorized to re-complete its Saber 1-4H well as a Charles Formation well in the temporary spacing unit comprised of the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 3, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 4, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Section 9 and the NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10, T25N-R52E, Richland County, Montana, located approximately 530' FSL and 300' FEL in Section 4.

IT IS FURTHER ORDERED that the temporary spacing unit created by this order will terminate if the recompletion into the Charles Formation is unsuccessful or the Saber 1-4H well is abandoned.

BOARD ORDER NO. 19-2018

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 ROLAND OIL AND GAS 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 \$240.00. 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 ROLAND OIL AND GAS TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 20-2018

Docket No. 19-2018

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Roland Oil and Gas (Roland).
3. Roland's CEO, John Harper, submitted a letter requesting a continuance to the June 14, 2018, public hearing.
4. Roland paid the outstanding fine and has not filed delinquent production reports. Roland has been in contact with staff and explained the delay is due to him being unable to reach its production consultant who claimed to have already filed the delinquent production reports.
5. Staff recommended the docket be continued and requested the authority to dismiss the docket if the reports are received.
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 concludes that taking the following action is appropriate.

BOARD ORDER NO. 20-2018

Order

IT IS THEREFORE ORDERED by the Board that Docket 19-2018 is continued until the June 14, 2018, public hearing.

IT IS FURTHER ORDERED Docket 19-2018 be dismissed upon the receipt of the delinquent production reports.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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 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 21-2018

Docket No. 77-2017

Report of the Board

The above entitled cause came on regularly for hearing on April 19, 2018, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of 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 contacted the bankruptcy court and it is aware of Hinto's reporting violation.
5. No reporting information was received from the court trustee at the time of hearing.
6. Staff recommended the docket be continued until the June 14, 2018, public hearing.
7. 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.

BOARD ORDER NO. 21-2018

Order

IT IS THEREFORE ORDERED by the Board that Docket 77-2017 is continued until the June 14, 2018, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 19<sup>th</sup> day of April, 2018.

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