

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION
BILLINGS, MONTANA
February 13 & 14, 2019

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation of the State of Montana will hold its business meeting on Wednesday, February 13, 2019, at 2:00 p.m. in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. The agenda for that meeting is as follows:

1. Call to order
2. Approval of minutes of December 12, 2018, business meeting
3. Public comment on agenda and non-agenda items
4. Chaco Energy Company request for rehearing of Docket 73-2018
5. Financial report
6. Plugging and reclamation program update
7. Bond summary & incident report
8. Docket summary
9. Gas flaring exceptions
10. Inactive well review
11. Staff reports
12. Other business

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below at **9:00 a.m.** on Thursday, February 14, 2019, in the hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Interested persons have the opportunity to be heard for each docket. For more information or to request accommodation for a disability, please contact Erin Ricci at (406) 444-6731 or Jennifer Breton at (406) 656-0040, as soon as possible before the scheduled hearing.

Docket 1-2019

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to designate a permanent spacing unit comprised of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, T34N-R21E, Blaine County, Montana, for the production of oil from the Sawtooth Formation with respect to the L. Neuens 7-5 well.

Docket 2-2019

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to designate a permanent spacing unit comprised of Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 6, T34N-R21E, Blaine County, Montana, for the production of oil from the Sawtooth Formation with respect to the J. Pike 4-6 well.

Docket 3-2019

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to pool all interests in the permanent spacing unit comprised of Lot 4 (NW¼NW¼) of Section 6, T34N-R21E, Blaine County, Montana, for the production of oil from the Sawtooth 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 J. Pike 4-6 well.

Docket 4-2019

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to designate a permanent spacing unit comprised of Lot 7 (SW¼SW¼) of Section 6, T34N-R21E, Blaine County, Montana, for the production of oil from the Sawtooth Formation with respect to the S. Pike 13-6 well.

Docket 5-2019

APPLICANT: LONEWOLF OPERATING, LLC – BLAINE COUNTY, MONTANA

Upon the application of **Lonewolf Operating, LLC** to pool all interests in the permanent spacing unit comprised of Lot 7 (SW¼SW¼) of Section 6, T34N-R21E, Blaine County, Montana, for the production of oil from the Sawtooth 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 S. Pike 13-6 well.

Docket 6-2019

APPLICANT: STEPHENS PRODUCTION COMPANY – POWDER RIVER COUNTY, MONTANA

Upon the application of **Stephens Production Company** to create a temporary spacing unit comprised of Lots 3 and 4 in Section 7, T8S-R53E and Lots 2 and 3 of Section 12, T8S-R52E, Powder River County, Montana, to drill a Muddy Formation test well at a proposed well location approximately 1,515' FSL and 39' FWL in Section 7, T8S-R53E, Powder River County, Montana, as an exception to A.R.M. 36.22.702. Applicant will apply for permanent spacing within 90 days of successful well completion.

Docket 7-2019

APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION – YELLOWSTONE COUNTY, MONTANA

Upon the Board's own motion to vacate Board Order 23-1992, which approved a waterflood project in the South Wolf Springs Amsden Unit, Yellowstone County, Montana. The federal secondary recovery unit was terminated by the Bureau of Land Management effective August 31, 2017.

Docket 8-2019

APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION – MUSSELSHELL COUNTY, MONTANA

Upon the Board's own motion to vacate Board Order 80-1996, which approved a waterflood project in the Mason Lake (1st Cat Creek) Unit, Musselshell County, Montana. The federal secondary recovery unit was terminated by the Bureau of Land Management effective February 6, 2016.

Docket 9-2019

APPLICANT: DENBURY ONSHORE, LLC – FALLON COUNTY, MONTANA

Upon the application of **Denbury Onshore, LLC** to convert the 24X-07 well (API #25-025-21188) located in the SE¼SW¼ of Section 7, T10N-R58E, Fallon County, Montana (Cabin Creek Field) to a saltwater disposal well in the Mission Canyon Formation at a depth of approximately 7,215-7,690 ft. An aquifer exemption is being requested as water in the injection formation contains less than 10,000 mg/l total dissolved solids. Staff notes this application is eligible for placement on the default docket.

Docket 10-2019

SHOW-CAUSE HEARING

RESPONDENT: KYKUIT RESOURCES, LLC – BLAINE AND FERGUS COUNTIES, MONTANA

Upon the Board's own motion to require **Kykuit Resources, 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 \$320.00. 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 Kykuit Resources, LLC to further penalties as prescribed by Board Policy.

Docket 11-2019

SHOW-CAUSE HEARING

RESPONDENT: RINCON OIL & GAS LLC – PHILLIPS COUNTY, MONTANA

Upon the Board's own motion to require **Rincon Oil & Gas 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 \$120.00. 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 Rincon Oil & Gas LLC to further penalties as prescribed by Board Policy.

Docket 12-2019

SHOW-CAUSE HEARING

RESPONDENT: ROLAND OIL AND GAS – GLACIER AND PONDERA COUNTIES, 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 \$220.00. 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.

Docket 13-2019

SHOW-CAUSE HEARING

RESPONDENT: SHADWELL RESOURCES GROUP, LLC – RICHLAND COUNTY, MONTANA

Upon the Board's own motion to require **Shadwell Resources Group, LLC** to appear and show cause, if any it has, why additional penalties should not be imposed for failure to pay the \$1,000 fine that was assessed for not appearing at the October 4, 2018, hearing by the December 12, 2018, business meeting. Shadwell Resources, LLC paid the \$1,000 fine on January 7, 2019, but is still required to appear at the February 14, 2019, hearing, as directed by Board Order 4-A-2018.

Docket 60-2017
SHOW-CAUSE HEARING
Continued from December 2017

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

Upon the Board's own motion to require **Black Gold Energy Resource Development, LLC** to appear and show cause, if any it has, why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Indian Mound 1 SWD (API # 25-083-21377) 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.

BOARD OF OIL AND GAS CONSERVATION

Erin Ricci
Administrative Assistant