

**MONTANA BOARD OF OIL AND GAS CONSERVATION  
FINANCIAL STATEMENT  
As of 6/30/19  
Fiscal Year 2019: Percent of Year Elapsed - 100%**

		Budget	Expends	Remaining	%
Regulatory	Personal Services	1,216,149	1,077,002	139,147	88.6
UIC	Personal Services	266,959	250,184	16,775	93.7
	<b>Total Expended</b>	<b>1,483,108</b>	<b>1,327,186</b>	<b>155,922</b>	<b>89.5</b>
Regulatory	Equipment & Assets	54,947	54,947	-	100.0
UIC	Equipment & Assets	12,062	12,062	-	100.0
	<b>Total Expended</b>	<b>67,009</b>	<b>67,009</b>	<b>-</b>	<b>100.0</b>
Regulatory	Operating Expenses:				
	Contracted Services	158,983	113,458	45,525	71.4
	Supplies & Materials	47,815	43,056	4,759	90.0
	Communication	62,183	54,266	7,917	87.3
	Travel	36,206	25,252	10,954	69.7
	Rent	25,877	17,946	7,931	69.3
	Utilities	16,770	13,055	3,715	77.8
	Repair/Maintenance	24,633	25,077	(444)	101.8
	Other Expenses	26,216	18,700	7,517	71.3
	<b>Total Operating Expenses</b>	<b>398,683</b>	<b>310,808</b>	<b>87,875</b>	<b>78.0</b>
UIC	Operating Expenses:				
	Contracted Services	34,937	20,345	14,592	58.2
	Supplies & Materials	10,495	8,957	1,539	85.3
	Communication	13,949	11,864	2,085	85.1
	Travel	7,947	4,260	3,687	53.6
	Rent	5,680	3,939	1,741	69.4
	Utilities	3,681	2,866	815	77.9
	Repair/Maintenance	5,407	3,292	2,115	60.9
	Other Expenses	5,754	8,059	(2,305)	140.1
	<b>Total Operating Expenses</b>	<b>87,850</b>	<b>63,582</b>	<b>24,268</b>	<b>72.4</b>
	<b>Total Expended</b>	<b>486,533</b>	<b>374,390</b>	<b>112,143</b>	<b>77.0</b>

	Budget	Expends	Remaining	%
Carryforward FY17				
Personal Services	-	-	-	0.0
Operating Expenses	-	-	-	0.0
Equipment & Assests	-	-	-	0.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
Carryforward FY18				
Personal Services	40,472	-	40,472	0.0
Operating Expenses	40,471	-	40,471	0.0
Equipment & Assests	30,000	-	30,000	0.0
<b>Total</b>	<b>110,943</b>	<b>-</b>	<b>110,943</b>	<b>0.0</b>

Funding Breakout	Regulatory Budget	Regulatory Expends	UIC Budget	UIC Expends	2018 Total Budget	2018 Total Expends	%
State Special	1,669,779	1,442,757	366,871	325,828	2,036,650	1,768,585	86.8
Federal 2018 UIC (10-1-2017 to 9-30-2018)			108,000	108,000	108,000	108,000	100.0
Federal 2019 UIC (10-1-2018 to 9-30-2019)	-	-	115,000	-	115,000	-	0.0
<b>Total</b>	<b>1,669,779</b>	<b>1,442,757</b>	<b>589,871</b>	<b>433,828</b>	<b>2,259,650</b>	<b>1,876,585</b>	<b>83.0</b>

**REVENUE INTO STATE SPECIAL REVENUE ACCOUNT**

	FY 19	FY 18
Oil & Gas Production Tax	\$ 2,851,390	\$ 3,492,293
Oil Production Tax	2,636,396	3,205,721
Gas Production Tax	214,993	286,571
Drilling Permit Fees	13,375	15,500
UIC Permit Fees	241,300	239,800
Interest on Investments	41,955	11,133
Copies of Documents	526	658
Miscellaneous Reimbursements	15,200	23,045
<b>TOTAL</b>	<b>\$ 3,163,745</b>	<b>\$ 3,782,429</b>

**REVENUE INTO DAMAGE MITIGATION ACCOUNT**

	FY 19	FY 18
RIT Investment Earnings:	\$ -	\$ 131,005
July	-	-
August	-	12,531
September	-	9,947
October	-	10,149
November	-	12,509
December	-	10,203
January	-	10,392
February	-	11,740
March	-	9,234
April	-	11,055
May	-	11,940
June	-	21,305
Bond Forfeitures:	80,310	210,381
Interest on Investments	9,337	9,663
<b>TOTAL</b>	<b>\$ 89,647</b>	<b>\$ 351,049</b>

**INVESTMENT ACCOUNT BALANCES**

Regulatory Account	\$ 2,850,393
Damage Mitigation Account	\$ 444,194

**REVENUE INTO GENERAL FUND FROM FINES**

	FY 19
FRANK MILLER	7/6/2018 \$ 60
SCOUT ENERGY MANAGEMENT LLC	7/10/2018 4,140
WHITE ROCK OIL AND GAS LLC	7/20/2018 140
BALLANTYNE VENTURES LLC	7/27/2018 140
NINE POINT ENERGY LLC	7/27/2018 220
SCOUT ENERGY MANAGEMENT LLC	7/27/2018 4,140
HAWLEY OIL LLP	8/10/2018 440
SONKAR INC	8/10/2018 90
GREAT PLAINS ENERGY INC	8/10/2018 60
GERALD W PAUGH	8/22/2018 70
QUINGUE OIL	8/31/2018 60
GEORGE CAMPANELLA	8/31/2018 110
HAWLEY OIL LLP	8/31/2018 110
GEORGE CAMPANELLA	8/31/2018 110
BERNICE MCPHILLIPS	8/31/2018 110
CRAZY MOUNTAIN OIL AND GAS LLC	8/31/2018 370
GRASSY BUTTE	8/31/2018 70
MYSTIQUE RESOURCES COMPANY	9/7/2018 60
INTERMOUNTAIN LEASING INC.	9/28/2018 120
HOFLAND JAMES D	10/19/2018 70
LOWRANCE COMPANY INC / AIKINS DRILLING COMPANY	10/26/2018 70
CALIBER MIDSTREAM PARTNERS LP	11/2/2018 70
HIGHLANDS NATURAL RESOURCES CORP	11/2/2018 60
DRAWINGS LLC	11/9/2018 70
ALTA VISTA OIL AND GAS	11/9/2018 70
MONTANA LAND AND MINERAL COMPANY	11/9/2018 70
SHADWELL RESOURCES GROUP LLC	11/9/2018 70
SEYMOUR OIL & GAS	11/16/2018 60
PROVIDENT ENERGY OF MONTANA LLC	11/28/2018 180
HOFLAND, JAMES D	12/11/2018 70
HAWLEY OIL LLP	1/4/2019 250
UNITED STATES ENERGY CORP	1/4/2019 70
BEHM ENERGY	1/7/2019 70
SHADWELL RESOURCES GROUP LLC	1/7/2019 1,000
PEARSON, GABRIEL	1/16/2019 120
BIG SNOWY RESOURCES LP	1/16/2019 130
SAGE CREEK COLONY	1/16/2019 60
RINCON OIL AND GAS LLC	2/4/2019 60
RINCON OIL AND GAS LLC	2/4/2019 60
ROLAND OIL AND GAS	2/15/2019 110
ROLAND OIL AND GAS	2/15/2019 110
KEESUN CORP	2/15/2019 60
SLOHCIN INC	2/15/2019 70
J AND M SNAKECREEK DISPOSAL	2/21/2019 70
BBX OPERATING LLC	4/5/2019 120
BENSUN ENERGY LLC	4/24/2019 -
PATRICIA DANIELSON OIL	5/17/2019 70
AVERY BAKKEN DISPOSALS LLC	5/17/2019 70
FIRST BANK OF MONTANA / KYKUIT OIL AND GAS	6/7/2019 320
LELAND, KEVIN/ALEXIA / SHADWELL RESOURCES GROUP LLC	6/14/2019 60
SHADWELL RESOURCES GROUP LLC	6/14/2019 60
TOPAZ OIL AND GAS INC	6/14/2019 220
BLACK GOLD ENERGY RESOURCES DEVELOPMENT LLC	6/14/2019 12,500
ERDAHL, STEVE / BENSUN ENERGY	6/18/2019 5,000
YOUNG BROS LLC / GRASSY BUTTE	6/28/2019 70
<b>TOTAL</b>	<b>\$ 32,210</b>

**DAMAGE MITIGATION CONTRACTS**

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
Beery 2 and Beery 22-24 Wells Plug and Reclaim	\$ 176,500	\$ 155,704	\$ 20,796	Under Contract	12/31/2019
Krone-Augusta 31-32-1 Well Plug and Reclaim	600,000	393,590	206,411	Completed	9/30/2018
Dybvik KV 1 Remediation	21,465	21,050	415	Completed	12/31/2019
<b>TOTAL</b>	<b>\$ 797,965</b>	<b>\$ 570,344</b>	<b>\$ 227,621</b>		

**CONTRACTS**

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>	<u>Status</u>	<u>Expiration Date</u>
MT Tech - Elm Coulee EOR Study (MOU 127220)	\$ 863,905	\$ 717,168	\$ 146,737	Under Contract	12/31/2019
Agency Legal Services 2019	70,000	25,246	44,754	Completed	6/30/2019
COR Enterprises - Billings Janitorial	48,664	47,171	1,493	Completed	6/30/2019
Production and Injection Form Data Entry	66,000	43,715	22,285	Under Contract	2/28/2020
<b>TOTAL</b>	<b>\$ 1,048,569</b>	<b>\$ 833,300</b>	<b>\$ 215,269</b>		

**Agency Legal Services  
Expenditures in FY19**

<u>Case</u>	<u>Amt Spent</u>
BOGC Duties	\$ 24,821
MEIC	426
<b>Total</b>	<b>\$ 25,246</b>

**Montana Board of Oil and Gas Conservation  
Summary of Bond Activity**

6/13/2019 Through 8/13/2019

**Approved**

Landtech Enterprises, LLC Sidney MT	4245 T6	Approved Amount: Purpose:	6/27/2019 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
Landtech Enterprises, LLC Sidney MT	4245 T5	Approved Amount: Purpose:	6/27/2019 \$10,000.00 UIC Single Well Bond
Surety Bond	\$10,000.00 U.S. Specialty Insurance Co.		ACT
M & M Farms Shelby MT	781 D3	Approved Amount: Purpose:	7/18/2019 \$10,000.00 Domestic Well Bond
Certificate of Deposit	\$10,000.00 Stockman Bank, Conrad		ACT
NorthWestern Corporation Butte MT	369 T3	Approved Amount: Purpose:	8/7/2019 \$5,000.00 UIC Single Well Bond
Surety Bond	\$5,000.00 TRAVELERS CASUALTY & SURETY CO. OF AMERICA		ACT
Well Done Montana LLC Bozeman MT	854 G1	Approved Amount: Purpose:	8/13/2019 \$1,500.00 Single Well Bond
Certificate of Deposit	\$1,500.00 FIRST STATE BANK OF SHELBY		ACT

**Canceled**

Benjamin, Leslie W.	636 W1	Canceled Amount: Purpose:	6/20/2019 \$5,000.00 Domestic Well Bond
Briscoe Petroleum, LLC Sheridan WY	733 G3	Canceled Amount: Purpose:	8/8/2019 \$10,000.00 Single Well Bond
Canyon Natural Gas, LLC Billings MT	410 G1	Canceled Amount: Purpose:	7/23/2019 \$1,500.00 Single Well Bond
Croft Petroleum Co. Cut Bank MT	1720 G8	Canceled Amount: Purpose:	7/10/2019 \$5,000.00 Single Well Bond
Croft Petroleum Co. Cut Bank MT	1720 G7	Canceled Amount: Purpose:	7/10/2019 \$5,000.00 Single Well Bond
Kaczmarek, Michael B. and Helen Helena MT	633 D1	Canceled Amount: Purpose:	6/28/2019 \$5,000.00 Domestic Well Bond

## Montana Board of Oil and Gas Conservation Summary of Bond Activity

6/13/2019 Through 8/13/2019

### Canceled

Pronghorn Petroleum Joint Venture Baker MT	272 L1	Canceled	6/28/2019
		Amount:	\$20,000.00
		Purpose:	Limited Bond
Thomasson Petroleum E&P LLC Denver CO	802 G1	Canceled	8/2/2019
		Amount:	\$5,000.00
		Purpose:	Single Well Bond
Williston Industrial Supply Corporation Williston ND	8488 M1	Canceled	8/13/2019
		Amount:	\$25,000.00
		Purpose:	Multiple Well Bond
Williston Industrial Supply Corporation Williston ND	8488 U1	Canceled	8/13/2019
		Amount:	\$15,000.00
		Purpose:	UIC Limited Bond
Woods, Pete Or Maxine Chester MT	8538 G3	Canceled	7/2/2019
		Amount:	\$1,500.00
		Purpose:	Single Well Bond

### Forfeited

Pronghorn Petroleum Joint Venture Baker MT	272 T1	Forfeited	6/28/2019
		Amount:	\$10,000.00
		Purpose:	UIC Single Well Bond

### Released

Landtech Enterprises, LLC Sidney MT	4245 U1	Released	6/27/2019
		Amount:	\$10,000.00
		Purpose:	UIC Limited Bond
M & M Farms Shelby MT	781 D2	Released	7/18/2019
		Amount:	\$5,000.00
		Purpose:	Domestic Well Bond
M & M Farms Shelby MT	781 D1	Released	7/18/2019
		Amount:	\$5,000.00
		Purpose:	Domestic Well Bond

# Incident Report

EXHIBIT 3

Company	Responsibility	Date	Incident	Oil Released	Water Released	Source	Contained	Latitude	Longitud	County	T-R-S
Chaco Energy Company	BOG	6/13/2019	Spill or Release	25 Barrels		Tank or Tank Battery	Yes	47.92758	-104.10393	Richland	25N-59E-9 SWSE
Denbury Onshore, LLC	BOG	6/15/2019	Spill or Release	5 Gallons	10 Barrels	Flow Line - Production	No	46.70917	-104.53420	Wibaux	11N-57E-15 SENW
Bayswater Exploration & Production, LLC	BOG	6/17/2019	Spill or Release	3 Barrels	150 Barrels	Pump Failure	Yes	46.61245	-108.38100	Musselshell	10N-27E-19 NESW
Denbury Onshore, LLC	BOG	6/21/2019	Spill or Release			Other	No	45.13778	-105.07110	Powder River	8S-54E-14 SESW
Vanguard Operating, LLC	BOG	7/5/2019	Spill or Release	20 Barrels		Flow Line - Production	Yes	45.00690	-108.87617	Carbon	9N-23E-35 NWSW
Citation Oil & Gas Corp.	BOG	7/9/2019	Spill or Release	118 Barrels		Tank or Tank Battery	Yes	48.31874	-105.23246	Roosevelt	30N-50E-28 SWSW
Denbury Onshore, LLC	BOG	7/14/2019	Spill or Release		1089 Barrels	Flow Line - Injection	No	46.38679	-104.19363	Fallon	7N-60E-3 NWSW
Vanguard Operating, LLC	BOG	7/17/2019	Spill or Release	6 Barrels	9 Barrels	Flow Line - Production	No	45.00265	-108.86606	Carbon	9S-23E-35 SESE
True Oil LLC	BOG	7/22/2019	Spill or Release		277 Barrels	Flow Line - Injection	Yes			Rosebud	12N-33E-10 NWSE
Denbury Onshore, LLC	BOG	7/23/2019	Spill or Release	5 Barrels	50 Barrels	Flow Line - Production	No	46.55908	-104.38410	Fallon	9N-58E-2 NSE
Denbury Onshore, LLC	BOG	7/23/2019	Spill or Release	5 Barrels		Flow Line - Injection	No	45.14007	-105.07157	Powder River	8S-54E-14 NESW
Denbury Onshore, LLC	BOG	7/24/2019	Spill or Release		20 Barrels	Flow Line - Injection	No	46.33386	-104.23182	Fallon	7N-60E-29 SENW
Denbury Onshore, LLC	BOG	7/25/2019	Spill or Release		20 Barrels	Flow Line - Injection	No	46.33386	-104.23182	Fallon	7N-60E-29 SENW
Wesco Operating, Inc.	BOG	7/28/2019	Spill or Release		360 Barrels	Tank or Tank Battery	Yes	46.63594	-104.43111	Fallon	10N-58E-9 SENW
Burlington Resources Oil & Gas Company	BOG	7/29/2019	Spill or Release		150 Barrels	Tank or Tank Battery	Yes	47.88332	-104.89388	Richland	25N-53E-29 SESE
Denbury Onshore, LLC	BOG	7/30/2019	Spill or Release	2 Barrels		Treater	No	46.09298	-104.08237	Fallon	4N-61E-24 SENE
Denbury Onshore, LLC	BOG	7/30/2019	Spill or Release		500 Barrels	Flow Line - Injection	No	46.28276	-104.20037	Fallon	6N-60E-9 SESE
Denbury Onshore, LLC	BOG	8/5/2019	Spill or Release	6 Barrels	9 Barrels	Flow Line - Production	Yes	46.61131	-104.44204	Fallon	10N-58E-20 NENE
Continental Resources Inc	BOG	8/5/2019	Fire			Tank or Tank Battery	Yes	47.73390	-104.61140	Richland	23N-55E-24 SWSW
Denbury Onshore, LLC	BOG	8/7/2019	Spill or Release		50 Barrels	Flow Line - Injection	Yes	46.61691	-104.45816	Fallon	10N-58E-17 NWSW
Denbury Onshore, LLC	BOG	8/8/2019	Spill or Release	1 Barrels		Flow Line - Production	No	46.46111	-104.31060	Fallon	8N-59E-11 SE
Enerplus Resources USA Corporation	BOG	8/8/2019	Fire		15 Barrels	Tank or Tank Battery	Yes	47.91239	-104.84014	Richland	25N-53E-14 SESW

## Docket Summary

8/15/2019 Hearing

68-2019	Kraken Oil & Gas LLC	Pooling, permanent spacing unit, Bakken/Three Forks Formation, 25N-59E-5: all, 8: all (Fletch 5-8 #2H, Fletch 5-8 #3H, Fletch 5-8 #4H, and Fletch 5-8 #5H). Non-consent penalties requested.		<i>PSU Order: 34-2018 Additional wells order: 57-2018</i>	<input type="checkbox"/>
69-2019	Lonewolf Operating, LLC	Temporary spacing unit, Sawtooth Formation, 34N-21E-5: W $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , 6: E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , 330' setbacks. [LEGAL DESCRIPTION IN DATABASE TRUNCATED DUE TO SMALL TRACT SIZE.]	<b>Withdrawn</b>	<i>Application withdrawn, email received 8/5/19.</i>	<input type="checkbox"/>
70-2019	Denbury Onshore, LLC	Overlapping temporary spacing unit, Madison Group, 10N-58E-8: S2NE, E2SW, SWSW, SE, 9: SWNW, SW, 17: N2NE, SWNE, NW, one dual-lateral well, 660' setbacks.		<i>Concerns about unit &amp; non-unit lands included in application - Jarrett Hadley.</i>	<input type="checkbox"/>
71-2019	Continental Resources Inc	Overlapping temporary spacing unit, Bakken/Three Forks Formation, T27N-R53E-36: all, T26N-R53E-1: all, 12: all, 13: all, 24: all, 25: all, 200' heel/toe, 660' lateral setbacks. Apply for permanent spacing within 90 days of successful completion. Default Docket requested.			<input type="checkbox"/>
72-2019	Baldwin Lynch Energy Corp.	Convert the State 1-16 well, T9S-R22E-16: SE NE (API # 009-21056) to Class II Injection well (SWD), Virgelle Formation. Aquifer exemption requested.	<b>Withdrawn</b>	<i>Application withdrawn, email received 7/18/19.</i>	<input type="checkbox"/>
73-2019	Black Gold Energy Dore Facility, Inc.	Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for the Dore 1 well, API # 25-083-21281, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, T24N-59E, Richland County, Montana from Poor Boy Oil, LLP to Black Gold Energy Dore Facility, Inc., and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>
74-2019	Foothills Exploration, LLC	Request for a change of operator, and as required by Board policy, the Board will hold a hearing to consider approval of the transfer of plugging and reclamation responsibilities for certain wells identified in the applications from Bayswater Exploration & Production, LLC and Big Sky Energy, LLC to Foothills Exploration, LLC, and to determine if the proposed plugging and reclamation bond coverage is adequate under § 82-11-123(5), MCA.			<input type="checkbox"/>
75-2019	Grassy Butte LLC	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Kesterson #5 saltwater disposal well (API # 25-087-21488).			<input type="checkbox"/>
76-2019	Summit Gas Resources, Inc.	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Visborg 22-0841 11 SA (API # 25-003-22690) and the DP 31-0842 05 SA (API # 25-003-22725) saltwater disposal wells.			<input type="checkbox"/>
77-2019	Cline Production Company	Show Cause: why penalties should not be imposed for failure to maintain mechanical integrity for the Kincheloe 3X-30 (API # 25-087-21285), Kincheloe 1-6 (API # 25-087-21346), Kincheloe 10-19 (API # 25-087-21239), and the Kincheloe 1-12 (API # 25-087-21354) enhanced oil recovery injection wells.			<input type="checkbox"/>

78-2019	A & G Oil & Gas	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon the Normont 1 well, API # 25-101-23443, Rossmiller 3 well, API # 25-101-23440, and Mullady 11-30 well, API # 25-101-22933, as required by Board Order 22-2019, in accordance with § 82-11-123(5), MCA.		<i>Wells may be plugged; continue docket?</i>	<input type="checkbox"/>
79-2019	Compass Energy, Inc.	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Robert Aiken 6-24 well, API # 25-073-21260, located in the SE¼NW¼ of Section 24, T30N-R4W, Pondera County, Montana as required by Board Order 23-2019, in accordance with § 82-11-123(5), MCA.		<i>Unable to contact operator.</i>	<input type="checkbox"/>
80-2019	Molen Drilling Co., Inc.	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Cremer 1-23 well, API # 25-097-21003, located in the NW¼SE¼NW¼ of Section 22, T2N-R15E, Sweetgrass County, Montana as required by Board Order 24-2019, in accordance with § 82-11-123(5), MCA.			<input type="checkbox"/>
81-2019	TDW Gas Processing, LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Adams 3 well, API # 25-101-22726, located in the SE¼SW¼NW¼ of Section 20, T34N-R1W, Toole County, Montana as required by Board Order 25-2019, in accordance with § 82-11-123(5), MCA.			<input type="checkbox"/>
82-2019	UnionTown Energy Montana LLC	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Little Montana 1 well, API # 25-065-21879, located in the SE¼SE¼ of Section 35, T10N-R28E, Musselshell County, Montana as required by Board Order 26-2019, in accordance with § 82-11-123(5), MCA.			<input type="checkbox"/>
83-2019	TOI Operating	Show Cause: why it should not be required to immediately plug and abandon its Moerman 14-30 well, API # 25-109-21053, located in the SW¼SW¼ of Section 30, T18N-R59E, Wibaux County, Montana.			<input type="checkbox"/>
84-2019	Samson Oil and Gas USA, Inc.	Show Cause: why penalties should not be imposed for failure to remedy the field violations by the July 11, 2019, deadline.			<input type="checkbox"/>
85-2019	Drawings, LLC	Show Cause: why additional penalties, including respondent's production being declared illegal under ARM 36.22.1245, should not be applied for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the June 13, 2019, public hearing.			<input type="checkbox"/>
86-2019	PARMT LLC	Show Cause: 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 pay the \$1,000 fine assessed for not appearing at the June 13, 2019, public hearing.			<input type="checkbox"/>
87-2019	Hofland, James D.	Show Cause: failure to pay administrative fees assessed for delinquent reporting.	Dismissed	<i>Fine received 8/5/19</i>	<input type="checkbox"/>

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60-2017	Black Gold Energy Resource Development, LLC	Show Cause: 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 NE¼SW¼SW¼ of Section 15, T23N, R55E, Richland County, Montana as required by Board Order 45-2017, in accordance with § 82-11-123(5), MCA.	<input type="checkbox"/>
81-2018	Bensun Energy, LLC	Show Cause: why additional penalties, which may include a plugging and reclamation bond increase, should not be imposed for failure to remedy the field violations at the Loucks 33-27, API # 25-091-21676, well located in the NW¼SE¼ of Section 27, T36N-R52E, Sheridan County, Montana as well as any other outstanding field violations. At its June 13, 2019 hearing the Board directed that Bensun Energy, LLC begin to plug and abandon its wells if the sale to DeepRiver Petroleum, LLC was not finalized within 30 days.	<input type="checkbox"/>

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# **GAS FLARING**

**August 14, 2019**

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Kraken	13	2	11	0	13
Petro-Hunt	3	0	3	0	0
Whiting	3	1	2	1	0
Totals	19	3	16	1	13

# Flaring Requests

## *Summary*

There are 19 wells flaring over 100 MCFG per day based on current production numbers.

16 of the 19 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There is 1 exception requested at this time.

## *Whiting Oil & Gas*

### **Buxbaum 21-5-1H – API #25-083-23256, 24N-60E-5**

1. Flaring 98 MCF/D.
2. Completed: 2/2015.
3. Estimated gas reserves: 798 MMCF.
4. Proximity to market: 11,000 ft to pipeline.
5. Estimated gas price at market: ~\$2.20/MCF.
6. Estimated cost of marketing the gas: ~\$250,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

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**SUMMARY PAGE**

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**Board Business Meeting August 14, 2019**

**ZEIDERS BROS. OIL & GAS COMPANY, L.L.C.**  
**Plugging of the Rudolph Haynie 1-5**

- On 12/17/18 a letter was sent to Zeiders Bros. requesting an intent to abandon the well or a request for the inapplicability of the plugging requirement and well-specific documentation to support the request.
- On 01/31/19 John Zeiders sent a statement indicating they were in the process of determining if the well can be completed in upper zones as a commercial gas well, or if it can be converted to a SWD well.
- On 02/26/19 a letter was sent to John Zeiders requesting additional information to be submitted to our office by 08/01/19, this information has not been received.
- On 08/06/19 a letter was sent to John Zeiders informing him that the issue will be discussed at the board business meeting.

Recommendation: Order Zeiders Bros. Oil & Gas Company, L.L.C. to show cause at the October 2019 hearing for why they should not have to immediately plug and abandon their well for failure to respond to the request for additional information.

## Plugging and Reclamation Bonds With Well List

<b>ZEIDERS BROS. OIL &amp; GAS COMPANY, L.L.C.</b>		<b>688</b>	<b>Bond: G1</b>	<b>\$10,000.00</b>	<b>Single Well Bond</b>	<b>Active</b>	<b>Wells: 1</b>	<b>Allowed: 1</b>
Certificate of Deposit	Active	Wells Fargo Bank, NA		\$10,000.00			Approved	9/19/2011
<b>API #</b>	<b>Operator</b>	<b>Well</b>	<b>Location</b>	<b>Field</b>	<b>TD</b>	<b>PBTD</b>	<b>Status</b>	
055-21207	Zeiders Bros. Oil & Gas Company, L.L.C.	Rudolph Haynie 1-5	22 N 47 E 5	SE NE 1976N 1066E	Wildcat McCone	6713	6623	C DH

Comment: To cover the Rudolph Haynie #1-5 well in T22N, R47E, Sec.5, NE/4