

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T25N-R59E, RICHLAND COUNTY, MONTANA, FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN/THREE FORKS 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 FLETCH 5-8 #2H, FLETCH 5-8 #3H, FLETCH 5-8 #4H, AND FLETCH 5-8 #5H WELLS.

ORDER 60-2019

Docket No. 68-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 34-2018. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
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 § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of all of Sections 5 and 8, T25N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken/Three Forks Formation.

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Fletch 5-8 #2H, Fletch 5-8 #3H, Fletch 5-8 #4H, and Fletch 5-8 #5H.

BOARD ORDER NO. 60-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF THE S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ OF SECTION 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ OF SECTION 9, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ OF SECTION 17, T10N-R58E, FALLON COUNTY, MONTANA, TO DRILL A DUAL LATERAL MADISON GROUP WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 660' SETBACK TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 61-2019

Docket No. 70-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, 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, reduced the lands in the application to match the Cabin Creek unit boundary. The SW $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, T10N-R58E, were removed from the request.
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 $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 8, W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ of Section 17, T10N-R58E, Fallon County, Montana, is designated an overlapping temporary spacing unit to drill a dual lateral Madison Group well anywhere within said temporary spacing unit but not closer than 660' setback to the exterior boundaries thereof.

BOARD ORDER NO. 61-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO CREATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 36, T27N-R53E AND ALL OF SECTIONS 1, 12, 13, 24, 25, T26N-R53E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN/THREE FORKS FORMATION WELL ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 660' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 62-2019

Docket No. 71-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, 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 Board expressed concern about the six-section spacing unit and possible impacts to correlative rights due to creation of overlapping spacing units.
3. Continental testified that they would apply for temporary spacing for the six sections of concern to the west and for additional wells in the currently proposed spacing unit at the October hearing.
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 Docket 71-2019 is continued until the October 10, 2019, public hearing.

BOARD ORDER NO. 62-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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 NW¼NW¼ 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.

ORDER 76-2019

Docket No. 73-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Chris Blount, president, appeared on behalf of Black Gold Energy Dore Facility, Inc. (Black Gold).
3. The Board and its staff reviewed Black Gold's pending change of operator request from Poor Boy Oil, LLP.
4. The Board determined that Black Gold's proposed plugging and reclamation bond of \$10,000 to cover its one injection well was adequate and 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.

Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

BOARD ORDER NO. 76-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

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.

ORDER 63-2019

Docket No. 74-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, 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. Don Lee, attorney, Kevin Sylla, executive chairman and landman, John Adamson, geology consultant, Alex Hamb, director and petroleum engineer, and Tara Roberts, vice president of business development, appeared on behalf of Foothills Exploration, LLC (Foothills).
3. The Board and its staff reviewed Foothills' pending change of operator request from Bayswater Exploration & Production, LLC and Big Sky Energy, LLC.
4. Foothills proposed a \$160,000 UIC plugging and reclamation bond that would cover 21 injection wells and a \$50,000 multiple well plugging and reclamation bond that would cover 77 wells, which includes 38 producing wells and 39 shut-in wells.
5. Due to the number of shut-in wells on the proposed multiple well bond and the potential for significant future plugging liability, the Board discussed a 30-well limit for a \$50,000 multiple well bond, in accordance with ARM 36.22.1308(3). The multiple well bonding would amount to \$150,000 to cover the 77 producing wells.
6. Foothills indicated they would prefer additional time to be able to provide the Board with requested company information before a bond amount be set.
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.

BOARD ORDER NO. 63-2019

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 74-2019 is continued until the October 10, 2019, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE GRASSY BUTTE, LLC, TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY FOR THE KESTERSON #5 SALTWATER DISPOSAL WELL (API # 25-087-21488).

ORDER 64-2019

Docket No. 75-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Grassy Butte, LLC.
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 the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Grassy Butte, LLC is fined \$1,000 for failure to appear at the August 15, 2019, public hearing.

IT IS FURTHER ORDERED that Grassy Butte, LLC is fined \$1,000 for failure to maintain mechanical integrity on the Kesterson #5 well, API # 25-087-21488, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34, T10N-R33E, Rosebud County.

IT IS FURTHER ORDERED that Grassy Butte, LLC must return the Kesterson #5 well to compliance prior to the October 10, 2019, public hearing.

IT IS FURTHER ORDERED by the Board that Docket 75-2019 is continued until the October 10, 2019, public hearing.

BOARD ORDER NO. 64-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE SUMMIT GAS RESOURCES, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY FOR THE VISBORG 22-0841 11SA (API # 25-003-22690) AND THE DP 31-0842 05SA (API # 25-003-22725) SALTWATER DISPOSAL WELLS.

ORDER 65-2019

Docket No. 76-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, 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. Peter Schoonmaker, president and CEO, appeared on behalf of Summit Gas Resources, Inc. (Summit).
3. Summit apologized for the lack of communication and stated that it will achieve compliance for both wells within 30 days.
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 the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that Summit must return the Visborg 22-0841 11SA well, API # 25-003-22690, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, T8S-R41E and the DP 31-0842 05SA well, API # 25-003-22725, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31, T8S-R42E to compliance prior to the October 10, 2019, public hearing.

IT IS FURTHER ORDERED by the Board that Docket 76-2019 is continued until the October 10, 2019, public hearing.

BOARD ORDER NO. 65-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE A & G OIL & GAS 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 THE FOLLOWING WELLS AS REQUIRED BY BOARD ORDER 22-2019, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 66-2019

- NORMONT 1 WELL, API # 25-101-23443, LOCATED IN THE SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 2, T34N-R2W, TOOLE COUNTY, MONTANA
- ROSSMILLER 3 WELL, API # 25-101-23440, LOCATED IN THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 11, T34N-R2W, TOOLE COUNTY, MONTANA
- MULLADY 11-30 WELL, API # 25-101-22933, LOCATED IN THE SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 30, T35N-R3W, TOOLE COUNTY, MONTANA

Docket No. 78-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of A & G Oil & Gas (A & G).
3. A & G filed sundry notices with its intent to plug and abandon the Normont 1 well, Rossmiller 3 well, and the Mullady 11-30 well. A & G anticipates plugging the wells by the October 10, 2019, public hearing.
4. Staff recommended the docket be continued to the October 10, 2019, public hearing.
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. 66-2019

Order

IT IS THEREFORE ORDERED by the Board that Docket 78-2019 is continued until the October 10, 2019, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE COMPASS ENERGY, INC. 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 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.

ORDER 67-2019

Docket No. 79-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Compass Energy, Inc.
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 the plugging and reclamation bond for Compass Energy, Inc. is hereby forfeited.

BOARD ORDER NO. 67-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE MOLEN DRILLING CO., INC. 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 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.

ORDER 68-2019

Docket No. 80-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Molen Drilling Co., Inc.
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 the plugging and reclamation bond for Molen Drilling Co., Inc. is hereby forfeited.

BOARD ORDER NO. 68-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE TDW GAS PROCESSING, 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 ADAMS 3 WELL, API # 25-101-22726, LOCATED IN THE SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 20, T34N-R1W, TOOLE COUNTY, MONTANA AS REQUIRED BY BOARD ORDER 25-2019, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 69-2019

Docket No. 81-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of TDW Gas Processing, LLC.
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 the plugging and reclamation bond for TDW Gas Processing, LLC is hereby forfeited.

BOARD ORDER NO. 69-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE UNIONTOWN ENERGY MONTANA 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 LITTLE MONTANA 1 WELL, API # 25-065-21879, LOCATED IN THE SE¹/₄SE¹/₄ OF SECTION 35, T10N-R28E, MUSSELSHELL COUNTY, MONTANA AS REQUIRED BY BOARD ORDER 26-2019, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 70-2019

Docket No. 82-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of UnionTown Energy Montana LLC.
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 the plugging and reclamation bond for UnionTown Energy Montana LLC is hereby forfeited.

BOARD ORDER NO. 70-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE TOI OPERATING TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, 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.

ORDER 71-2019

Docket No. 83-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of TOI Operating (TOI).
3. At the June 12, 2019, business meeting, TOI was brought to the Board attention for a terminated lease covering the Moerman 14-30 well, API # 25-109-21053, located in the SW¼SW¼ of Section 30, T18N-R59E, Wibaux County, Montana.
4. At that meeting, TOI was ordered to begin the process of plugging the Moerman 14-30 well by July 11, 2019. No work has been done.
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 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.

BOARD ORDER NO. 71-2019

Order

IT IS THEREFORE ORDERED by the Board that TOI Operating is fined \$1,000 for failure to appear at the August 15, 2019, public hearing.

IT IS FURTHER ORDERED that TOI must begin the process to plug and abandon its Moerman 14-30 well, API # 25-109-21053, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, T18N-R59E, Wibaux County, Montana within 30 days or TOI is subject to a \$250 fine for each day after the deadline that the violations remain unresolved. The fine will remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that TOI must appear at the October 10, 2019, public hearing to discuss its plan for the remaining two wells on its multiple well bond.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE SAMSON OIL AND GAS USA, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO REMEDY THE FIELD VIOLATIONS BY THE JULY 11, 2019, DEADLINE.

ORDER 72-2019

Docket No. 84-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Dennis Trudell recused himself and took no part in this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.

2. Jacquelyn Hughes, attorney, and Mark Ulmer, COO, appeared on behalf of Samson Oil & Gas USA, Inc. (Samson).

3. At the June 12, 2019, business meeting, Samson was brought to the Board's attention for several field violations at its wells in Richland, Roosevelt, and Sheridan Counties, Montana. Samson had a deadline of July 11, 2019, to remedy the field violations.

4. On August 13, 2019, a field inspector found work had been done to the well locations, but issues remain unresolved.

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 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 that Samson must achieve compliance on its well locations within 30 days or Samson is subject to a \$250 fine for each day after the deadline that the violations remain unresolved. The fine will remain in effect until compliance is confirmed by inspection.

BOARD ORDER NO. 72-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE DRAWINGS, LLC TO APPEAR AND SHOW-CAUSE, IF ANY IT HAS, 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.

ORDER 73-2019

Docket No. 85-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, 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. Cody Lee appeared on behalf of Drawings, LLC (Drawings).
3. Prior to the hearing, Drawings filed the delinquent production reports but did not paid the outstanding fine in the amount of \$1,160.
4. Drawings missed the last hearing due to a move in offices and not receiving the correspondence.
5. Drawings recognized the numerous delinquent reporting issues since becoming an operator and will remedy the issue immediately.
6. Staff recommended the docket be dismissed.
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 the respondent has demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 73-2019

Order

IT IS THEREFORE ORDERED by the Board that Docket 85-2019 is dismissed upon the receipt of the fine that was assessed for delinquent production reports.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE PARMT LLC TO APPEAR 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 PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE JUNE 13, 2019, PUBLIC HEARING.

ORDER 74-2019

Docket No. 86-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of PARMT LLC (PARMT).
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 the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board that PARMT must have an approved plan to plug and abandon the Guenther 2-8 well, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, T33N-R58E, Sheridan County, Montana by the October 10, 2019, public hearing.

BOARD ORDER NO. 74-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BLACK GOLD ENERGY RESOURCE DEVELOPMENT, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS INDIAN MOUND 1 SWD (API # 25-083-21377) 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.

ORDER 75-2019

Docket No. 60-2017

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. Chris Blount appeared on behalf of Black Gold Energy Resource Development, LLC (Black Gold).
3. Mr. Blount stated the outstanding field compliance issues including the install of the emergency shutoff equipment on the Indian Mound SWD well has not been completed due to weather delays.
4. On June 14, 2019, Black Gold paid 10% of the outstanding fine of \$125,000.
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.

Order

IT IS THEREFORE ORDERED by the Board that Black Gold must achieve compliance by October 10, 2019, public hearing or the outstanding fine of \$112,500 will be immediately payable.

IT IS FURTHER ORDERED by the Board that Docket 60-2017 is continued until the October 10, 2019, public hearing.

BOARD ORDER NO. 75-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE BENSUN ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES, 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.

ORDER 77-2019

Docket No. 81-2018

Report of the Board

The above entitled cause came on regularly for hearing on August 15, 2019, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded an opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Bensun Energy, LLC (Bensun).
3. At the June 13, 2019, public hearing, Bensun stated the sale of its wells to DeepRiver Petroleum, LLC (DeepRiver) would be finalized in 30 days.
4. On June 14, 2019, DeepRiver made a payment of \$5,000 to be applied to Bensun's outstanding fine of \$14,120.
5. On August 14, 2019, DeepRiver requested an additional 30 days for the transfer of the wells.
6. Bensun still has field violations that need to be remedied.
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 the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 77-2019

Order

IT IS THEREFORE ORDERED that Bensun must immediately pay the outstanding fine in the amount of \$9,120.

IT IS FURTHER ORDERED that Bensun begin to plug and abandon or transfer its wells prior to the October 10, 2019, public hearing. The failure to begin to plug and abandon or transfer the wells as required by this order may result in forfeiture of the plugging and reclamation bond in its entirety, as authorized under § 82-11-123(5), MCA.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 15th day of August, 2019.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Steven Durrett, Chairman

Paul Gatzemeier, Vice-Chairman

Mac McDermott, Board Member

Linda Nelson, Board Member

Dennis Trudell, Board Member

Joseph Michael Weber, Board Member

Corey Welter, Board Member

ATTEST:

Jennifer Breton, Program Specialist