

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

UPON THE APPLICATION OF KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 6 AND 7, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 101-2019

Docket No. 114-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 52-2018.
3. Evidence presented at the time of the hearing supports the drilling of up to three additional horizontal Bakken/Three Forks interval wells in Sections 6 and 7, T25N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the permanent spacing unit comprised of all of Sections 6 and 7, T25N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

BOARD ORDER NO. 101-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO THREE ADDITIONAL HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 17 AND 20, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER 102-2019

Docket No. 115-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 lands described in the caption were designated a permanent spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 54-2018.
3. Evidence presented at the time of the hearing supports the drilling of up to three additional horizontal Bakken/Three Forks interval wells in Sections 17 and 20, T25N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to three additional horizontal Bakken/Three Forks Formation wells in the permanent spacing unit comprised of all of Sections 17 and 20, T25N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof.

BOARD ORDER NO. 102-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24, T27N-R57E, ROOSEVELT 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 HIGGINS 13-24 #2H, HIGGINS 13-24 #3H, AND HIGGINS 13-24 #4H WELLS.

ORDER 103-2019

Docket No. 116-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 114-2015. 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 13 and 24, T27N-57E, Roosevelt 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 Higgins 13-24 #2H, Higgins 13-24 #3H, and Higgins 13-24 #4H wells.

BOARD ORDER NO. 103-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 PRIMA EXPLORATION, INC. TO AMEND BOARD ORDER 380-2011 TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 13 AND 24 T25N-R58E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELLS COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 108-2019

Docket No. 117-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval in accordance with Montana Board of Oil and Gas Conservation Order 380-2011
3. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Sections 13 and 24, T25N-R58E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 108-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 380-2011 is amended to authorize the drilling of up to four horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 13 and 24, T25N-R58E, Richland County, Montana, anywhere in said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 PRIMA EXPLORATION, INC. TO AMEND BOARD ORDER 380-2011 TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 18 AND 19 T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELLS COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 109-2019

Docket No. 118-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Loren Young, surface owner, expressed concerns about condition of wells located in and adjacent to the lands included in this application and are not operated by Prima Exploration, Inc.
3. The lands described in the caption were designated a temporary spacing unit for production from the Bakken/Three Forks interval in accordance with Montana Board of Oil and Gas Conservation Order 380-2011
4. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Sections 18 and 19, T25N-R59E, Richland County, Montana.
5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 109-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 380-2011 is amended to authorize the drilling of up to four horizontal Bakken/Three Forks well in the temporary spacing unit comprised of Sections 18 and 19, T25N-R59E, Richland County, Montana, anywhere in said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof, provided that operations for the drilling of said well be commenced within one year of the date of this order.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 AUTHORIZE THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE CHARLES FORMATION / MADISON GROUP WITH RESPECT TO THE CABIN CREEK 12-8 WELL AT A LOCATION OF 1,991' FNL AND 530' FWL IN THE STATEWIDE SPACING UNIT COMPRISED OF NW¼ OF SECTION 8, T10N-R58E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 97-2019

Docket No. 119-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Cabin Creek 12-8 well is located closer than 660' to the boundaries of the statewide temporary spacing unit comprised of the NW¼ of Section 8, T10N-R58E that applies to production from the Charles Formation.
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 Denbury Onshore LLC is authorized to produce oil and associated natural gas from the Charles Formation / Madison Group with respect to the Cabin Creek 12-8 well located 1,991' FNL and 530' FWL of Section 8, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 97-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 AUTHORIZE THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE CHARLES FORMATION / MADISON GROUP WITH RESPECT TO THE CABIN CREEK 34-8 WELL AT A LOCATION OF 660' FSL AND 1,990' FEL IN THE STATEWIDE SPACING UNIT COMPRISED OF SE¼ OF SECTION 8, T10N-R58E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 98-2019

Docket No. 120-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Cabin Creek 34-8 well is located closer than 660' to the boundaries of the statewide temporary spacing unit comprised of the SE¼ of Section 8, T10N-R58E that applies to production from the Charles Formation.
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 Denbury Onshore LLC is authorized to produce oil and associated natural gas from the Charles Formation / Madison Group for with respect to the Cabin Creek 34-8 well located 660' FSL and 1,990' FEL of Section 8, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 98-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 AUTHORIZE THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE CHARLES FORMATION / MADISON GROUP WITH RESPECT TO THE CABIN CREEK 41-17 WELL AT A LOCATION OF 658' FNL AND 761' FEL IN THE STATEWIDE SPACING UNIT COMPRISED OF NE¼ OF SECTION 17, T10N-R58E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 99-2019

Docket No. 121-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Cabin Creek 41-17 well is located closer than 660' to the boundaries of the statewide temporary spacing unit comprised of the NE¼ of Section 17, T10N-R58E that applies to production from the Charles Formation.
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 Denbury Onshore LLC is authorized to produce oil and associated natural gas from the Charles Formation / Madison Group for with respect to the Cabin Creek 41-17 well located 658' FNL and 761' FEL of Section 17, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 99-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 AUTHORIZE THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE CHARLES FORMATION / MADISON GROUP WITH RESPECT TO THE CABIN CREEK 43-17 WELL AT A LOCATION OF 2,039' FSL AND 583' FEL IN THE STATEWIDE SPACING UNIT COMPRISED OF SE¼ OF SECTION 17, T10N-R58E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 100-2019

Docket No. 122-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Cabin Creek 43-17 well is located closer than 660' to the boundaries of the statewide temporary spacing unit comprised of the SE¼ of Section 17, T10N-R58E that applies to production from the Charles Formation.
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 Denbury Onshore LLC is authorized to produce oil and associated natural gas from the Charles Formation / Madison Group with respect to the Cabin Creek 43-17 well located 2,039' FSL and 583' FEL of Section 17, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 100-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 APPLICATION FROM ROCK CREEK OIL, INC. TO KEESUN CORPORATION, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 110-2019

Docket No. 123-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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, appeared on behalf of Keesun Corporation (Keesun).
3. The Board and its staff reviewed Keesun's change of operator request from Rock Creek Oil, Inc.
4. The Board determined that Keesun's existing plugging and reclamation bond of \$50,000 to cover its multiple producing wells 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. 110-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 APPLICATION FROM TAYLOR WELL OPERATING INC. TO A. B. ENERGY LLC, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 111-2019

Docket No. 125-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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, Arnie Woods and Bo Woods, members, appeared on behalf of A. B. Energy LLC (A. B. Energy).
3. The Board and its staff reviewed A. B. Energy's change of operator request from Taylor Well Operating Inc.
4. The Board determined that A. B. Energy's existing plugging and reclamation bond of \$50,000 to cover its multiple producing wells 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. 111-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 APPLICATION FROM BAYSWATER EXPLORATION & PRODUCTION, LLC TO CRAZY MOUNTAIN OIL & GAS, AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 112-2019

Docket No. 126-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Crazy Mountain Oil & Gas.
3. Staff recommended the docket be dismissed.
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 126-2019 is dismissed.

BOARD ORDER NO. 112-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO VACATE BOARD ORDER 342-2011 AND TO DESIGNATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 30 AND 31, T25N-R59E, 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 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 104-2019

Docket No. 89-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 over the possible communication with the Chauncey 2H-31 well, located in Section 31, T25N-R59E, and operated by Legacy Reserves Operating LP, during the stimulation of wells within the proposed spacing unit.
3. Loren Young, surface owner of the Chauncey 2H-31 well, described the status of the well and expressed concerns about possible impacts related to stimulation of new wells.
4. Board staff will require a two week notice before commencing hydraulic fracture stimulations for all future wells drilled in the overlapping temporary spacing unit.
5. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 104-2019

Order

IT IS THEREFORE ORDERED by the Board that Order 342-2011 is vacated and that all of Sections 30 and 31, T25N-R59E, Richland County, Montana, is designated an overlapping spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 30 AND 31 T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELLS COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 105-2019

Docket No. 90-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 104-2019.
3. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Section 30 and 31, T25N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 105-2019

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to four horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 30 and 31, T25N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof, provided that operations for the drilling of said wells be commenced within one year of the date of this order.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO VACATE BOARD ORDER 342-2011 AND TO DESIGNATE AN OVERLAPPING TEMPORARY SPACING UNIT COMPRISED OF SECTIONS 29 AND 32, T25N-R59E, 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 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 106-2019

Docket No. 91-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Board staff will require a two week notice before commencing hydraulic fracture stimulations for all future wells drilled in the overlapping temporary 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 § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Order 342-2011 is vacated and that all of Sections 29 and 32, T25N-R59E, Richland County, Montana, is designated an overlapping spacing unit to drill a horizontal Bakken/Three Forks Formation well anywhere within said temporary spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the exterior boundaries thereof.

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

BOARD ORDER NO. 106-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 KRAKEN OIL & GAS LLC TO AUTHORIZE THE DRILLING OF UP TO FOUR HORIZONTAL BAKKEN/THREE FORKS FORMATION WELLS ANYWHERE WITHIN THE TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 29 AND 32, T25N-R59E, RICHLAND COUNTY, MONTANA, BUT NOT CLOSER THAN 200' (HEEL/TOE SETBACK) AND 500' (LATERAL SETBACK) TO THE EXTERIOR BOUNDARIES THEREOF, PROVIDED THAT OPERATIONS FOR THE DRILLING OF SAID WELLS COMMENCE WITHIN ONE YEAR OF THE DATE OF THE ORDER ISSUED BY THE BOARD. APPLICANT WILL APPLY FOR PERMANENT SPACING WITHIN 90 DAYS OF SUCCESSFUL WELL COMPLETION.

ORDER 107-2019

Docket No. 92-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 lands described in the caption were designated an overlapping temporary spacing unit for production from the Bakken/Three Forks interval by Montana Board of Oil and Gas Conservation Order 106-2019.
3. Evidence presented at the time of the hearing supports the drilling of up to four horizontal Bakken/Three Forks interval wells in Sections 29 and 32, T25N-R59E, Richland County, Montana.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

BOARD ORDER NO. 107-2019

Order

IT IS THEREFORE ORDERED by the Board that Kraken Oil & Gas LLC is authorized to drill up to four horizontal Bakken/Three Forks Formation wells in the overlapping temporary spacing unit comprised of all of Sections 29 and 32, T25N-R59E, Richland County, Montana, said wells to be located anywhere within said spacing unit but not closer than 200' (heel/toe setback) and 500' (lateral setback) to the boundaries thereof, provided that operations for the drilling of said wells be commenced within one year of the date of this order.

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

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 SAGE CREEK COLONY TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE SE¼SE¼ OF SECTION 12, T37N-R5E, LIBERTY COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM THE COLORADO GROUP WITH RESPECT TO THE FEDERAL 44-12 WELL. NATURAL GAS PRODUCED FROM THE WELL WILL BE UTILIZED BY THE APPLICANT FOR DOMESTIC PURPOSES ONLY.

ORDER 113-2019

Docket No. 100-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Due to the well not being economical, the previous operator transferred the well to the applicant. The natural gas produced or producible from the above well will be utilized by applicant for domestic purposes only with no intent to market natural gas therefrom.
3. Board records show that the well has a producing interval of 2,045' to 2,153' which is identified as the Blackleaf Formation in past production reports.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SE¼SE¼ of Section 12, T37N-R5E, Liberty County, Montana, is designated a permanent spacing unit for the production of natural gas from the existing producing interval in the Federal 44-12 well. Natural gas produced from the well will be utilized by the applicant for domestic purposes only.

BOARD ORDER NO. 113-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 SAGE CREEK COLONY TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE NW¼NE¼ OF SECTION 13, T37N-R5E, LIBERTY COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM THE COLORADO GROUP WITH RESPECT TO THE FEDERAL 2R-13 WELL. NATURAL GAS PRODUCED FROM THE WELL WILL BE UTILIZED BY THE APPLICANT FOR DOMESTIC PURPOSES ONLY.

ORDER 114-2019

Docket No. 101-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Due to the well not being economical, the previous operator transferred the well to the applicant. The natural gas produced or producible from the above well will be utilized by applicant for domestic purposes only with no intent to market natural gas therefrom.
3. Records indicate that the 2R-13 well is producing from an open-hole interval of 2,034' to 2,093' which was identified as the 1st and 2nd Spike zones.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the NW¼NE¼ of Section 13, T37N-R5E, Liberty County, Montana, is designated a permanent spacing unit for the production of natural gas from the existing producing interval in the Federal 2R-13 well. Natural gas produced from the well will be utilized by the applicant for domestic purposes only.

BOARD ORDER NO. 114-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 SAGE CREEK COLONY TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE SE¼NE¼ OF SECTION 8, T37N-R6E, LIBERTY COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM THE COLORADO GROUP WITH RESPECT TO THE MARGARET T. JOHNSON #1 WELL. NATURAL GAS PRODUCED FROM THE WELL WILL BE UTILIZED BY THE APPLICANT FOR DOMESTIC PURPOSES ONLY.

ORDER 115-2019

Docket No. 102-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Due to the well not being economical, the previous operator transferred the well to the applicant. The natural gas produced or producible from the above well will be utilized by applicant for domestic purposes only with no intent to market natural gas therefrom.
3. Records indicate that the well is producing from perforated intervals of 1,880' to 1,886' and 1,908' to 1,914' identified as the Blackleaf and 2nd White Specks zones, respectively.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the SE¼NE¼ of Section 8, T37N-R6E, Liberty County, Montana, is designated a permanent spacing unit for the production of natural gas from the existing producing interval in the Margaret T. Johnson #1 well. Natural gas produced from the well will be utilized by the applicant for domestic purposes only.

BOARD ORDER NO. 115-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 SAGE CREEK COLONY TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF THE NW¼SW¼ OF SECTION 12, T37N-R6E, LIBERTY COUNTY, MONTANA, FOR THE PRODUCTION OF NATURAL GAS FROM THE COLORADO GROUP WITH RESPECT TO THE JOHNSON 12-12 WELL. NATURAL GAS PRODUCED FROM THE WELL WILL BE UTILIZED BY THE APPLICANT FOR DOMESTIC PURPOSES ONLY.

ORDER 116-2019

Docket No. 103-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Due to the well not being economical, the previous operator transferred the well to the applicant. The natural gas produced or producible from the above well will be utilized by applicant for domestic purposes only with no intent to market natural gas therefrom.
3. Records indicate that the well is producing from perforated intervals of 1,973' - 2,000', 2,005' - 2,290' - 2,294' identified as the 2nd White Speck and 1st Spike zones.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that the NW¼SW¼ of Section 12, T37N-R6E, Liberty County, Montana, is designated a permanent spacing unit for the production of natural gas from the existing producing interval in the Johnson 12-12 well. Natural gas produced from the well will be utilized by the applicant for domestic purposes only.

BOARD ORDER NO. 116-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 PRIDE ENERGY COMPANY TO APPEAR AND SHOW-CAUSE, IF ANY IT HAS, FOR WHY THEY SHOULD NOT HAVE TO PROVIDE A PLAN AND TIMELINE FOR THE PLUGGING OF THE FOLLOWING WELLS:

ORDER 117-2019

- BN 23-1, API # 25-083-21609, LOCATED IN THE SE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 23, T23N-R54E, RICHLAND COUNTY, MONTANA
- BN 10X-23, API # 25-083-21644, LOCATED IN THE SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 23, T23N-R54E, RICHLAND COUNTY, MONTANA
- BN 23-1X, API # 25-083-21794, LOCATED IN THE SE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 23, T23N-R54E, RICHLAND COUNTY, MONTANA
- E. SUNDSTED 1, API # 25-091-21576, LOCATED IN THE NE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 6, T33N-R57E, SHERIDAN COUNTY, MONTANA

Docket No. 127-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Pride Energy Company (Pride).
3. At the October 9, 2019, business meeting, Pride was brought to the Board's attention for its four inactive wells, BN 23-1, BN 10X-23, BN 23-1X, and the E. Sundsted 1, that have not produced in over two years.
4. Pride contacted staff and stated that it was unaware of the October 9, 2019, deadline to provide the Board a plan and schedule of abandonment for the inactive wells or justification with supporting documentation for leaving the inactive wells unplugged.
5. On November 25, 2019, Pride filed sundry notices with its intent to plug and abandon the BN 23-1 well, BN 10X-23 well, BN 23-1X well, and the E. Sundsted 1 well. Pride anticipates plugging the wells by September 30, 2020.
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.

BOARD ORDER NO. 117-2019

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 127-2019 is continued to the August 6, 2020, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 CARRELL OIL COMPANY DBA COCO TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY FOR THE FIFER 3 (API # 25-069-05141) AND THE GOVT. 4 (API # 25-033-05028) ENHANCED OIL RECOVERY WELLS.

ORDER 118-2019

Docket No. 128-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Mr. Lloyd Carrell, the sole owner of Carrell Oil Company DBA COCO (Carrell Oil), passed away on March 5, 2019. Mr. Larry Carrell, personal representative and trustee of the estate of Lloyd Carrell, appeared on behalf of Carrell Oil.
3. Mr. Carrell stated that the Govt. 4 well passed the mechanical integrity test and is in compliance. The Fifer 3 well is not in compliance.
4. Mr. Carrell plans to sell Carrell Oil's wells and requested additional time to work with a potential buyer.
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 Docket 128-2019 is continued until the June 25, 2020, public hearing.

BOARD ORDER NO. 118-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 ZEIDERS BROS. OIL & GAS COMPANY, LLC TO APPEAR AND SHOW-CAUSE, IF ANY IT HAS, FOR WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS RUDOLPH HAYNIE 1-5 WELL, API # 25-055-21207, LOCATED IN THE SE¼NE¼ OF SECTION 5, T22N-R47E, MCCONE COUNTY, MONTANA AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED.

ORDER 119-2019

Docket No. 129-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Zeiders Bros. Oil & Gas Company, LLC (Zeiders Bros.).
3. Zeiders Bros. was fined \$1,000 for failure to appear at the October hearing.
4. Notice of this hearing was delivered to Zeiders Bros. on November 23, 2019.
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. 119-2019

Order

IT IS THEREFORE ORDERED by the Board that Zeiders Bros. is fined \$1,000 for failure to appear at the December 5, 2019, public hearing.

IT IS FURTHER ORDERED that Zeiders Bros. must have an approved plan to plug and abandon or begin the process to plug and abandon its Rudolph Haynie 1-5 well, API # 25-055-21207, located in the SE¼NE¼ of Section 5, T22N-R47E, McCone County, Montana by the January 9, 2020, hearing application deadline.

IT IS FURTHER ORDERED that following the January 9, 2020, deadline a penalty of \$250 per day be assessed until an abandonment plan has been received.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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, FOR WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON THE GUENTHER 2-8 WELL, API # 25-091-21565, LOCATED IN THE SW¼NE¼ OF SECTION 8, T33N-R58E, SHERIDAN COUNTY, MONTANA AND WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED.

ORDER 120-2019

Docket No. 130-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. PARMT has outstanding fines of \$2,000 for failure to appear at two previous hearings and \$140 in penalties for delinquent reporting.
4. The delivery of the certified notice of this hearing was attempted on November 18, 2019, but the notice remained unclaimed.
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 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. 120-2019

Order

IT IS THEREFORE ORDERED by the Board that PARMT is fined \$1,000 for failure to appear at the December 5, 2019, public hearing.

IT IS FURTHER ORDERED that PARMT must have an approved plan to plug and abandon or begin the process to plug and abandon its Guenther 2-8 well, located in the SW¹/₄NE¹/₄ of Section 8, T33N-R58E, Sheridan County, Montana by January 9, 2020, hearing application deadline.

IT IS FURTHER ORDERED that following the January 9, 2020, deadline a penalty of \$250 per day be assessed until an abandonment plan has been received.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 FIELD VIOLATIONS REMAIN AT ITS INDIAN MOUND 1 SWD, API # 25-083-21377, WELL LOCATED IN THE NE¼SW¼SW¼ OF SECTION 15, T23N-R55E, RICHLAND COUNTY, MONTANA.

ORDER 121-2019

Docket No. 131-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 Black Gold Energy Resource Development, LLC (Black Gold).
3. At the October 2019 hearing, the Board ordered Black Gold to have all field violations at the Indian Mound 1 SWD well resolved by the November 7, 2019, hearing deadline or a daily fine of \$250 would be instated. As of this hearing, Black Gold has not resolved all outstanding field violations.
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 the Indian Mound 1 SWD well is shut in until the outstanding field violations are addressed and authorization to commence injection is granted by the Board's staff.

IT IS FURTHER ORDERED that the \$250 daily fine remains in effect until compliance is achieved and confirmed by inspection.

IT IS FURTHER ORDERED that Black Gold is fined \$1,000 for failure to appear at the December 5, 2019, public hearing.

IT IS FURTHER ORDERED that Docket 131-2019 is continued until the February 13, 2020, public hearing.

BOARD ORDER NO. 121-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 IT SHOULD NOT PROVIDE AN APPROVED PLAN TO PLUG AND ABANDON THE KESTERSON #5 SALTWATER DISPOSAL WELL, API # 25-087-21488, LOCATED IN THE SW¹/₄NW¹/₄ OF SECTION 34, T10N-33E, ROSEBUD COUNTY, MONTANA BY THE DECEMBER 5, 2019, PUBLIC HEARING.

ORDER 123-2019

Docket No. 132-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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 (Grassy Butte).
3. Grassy Butte was previously fined \$1,000 for failure to appear at the August hearing and has a \$1,000 fine for failure to maintain mechanical integrity at its well.
4. Notice of this hearing was delivered to Grassy Butte on November 29, 2019.
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 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 must have an approved plan to plug and abandon or begin the process to plug and abandon its Kesterson #5 well, API # 25-087-21488, located in the SW¹/₄NW¹/₄ of Section 34, T10N-R33E, Rosebud County, Montana by January 9, 2020, hearing application deadline.

IT IS FURTHER ORDERED that following the January 9, 2020, deadline a penalty of \$250 per day be assessed until an abandonment plan has been received.

BOARD ORDER NO. 123-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 CLINE PRODUCTION COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY FOR THE KINCHELOE 3X-30 WELL, API # 25-087-21285, LOCATED IN THE NW¼ OF SECTION 30, T11N-R32E, ROSEBUD, COUNTY, MONTANA.

ORDER 124-2019

Docket No. 77-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Fred Cline, engineer, appeared on behalf of Cline Production Company (Cline).
3. Mr. Cline stated that he was unaware the outstanding fine in the amount of \$1,000 for failure to appear at the October hearing had not been paid and will pay the fine immediately.
4. Mr. Cline requested additional time to plug and abandon the Kincheloe 3X-30 well. Mr. Cline anticipates plugging the well on December 16, 2019.
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 Docket 77-2019 is continued until the February 13, 2020, public hearing.

BOARD ORDER NO. 124-2019

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PLUG AND ABANDON ITS MOERMAN 14-30 WELL, API # 25-109-21053, LOCATED IN THE SW¹/₄SW¹/₄ OF SECTION 30, T18N-R59E, WIBAUX COUNTY, MONTANA.

ORDER 122-2019

STATUS OF THE MT AG. STA. 28-41 WELL, API # 25-083-21384, LOCATED IN THE NE¹/₄NE¹/₄ OF SECTION 28, T23N-R59E, RICHLAND COUNTY, MONTANA AND THE THEIL 14-23 WELL, API # 25-083-21193, LOCATED IN THE NE¹/₄SW¹/₄ OF SECTION 14, T22N-R59E, RICHLAND COUNTY, MONTANA WILL ALSO BE REVIEWED.

Docket No. 111-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Teresa Benson, power of attorney for Orlen Carver (Lenny), appeared on behalf of TOI Operating (TOI).
3. Ms. Benson stated that Mr. Carver is no long able to operate TOI due to health issues.
4. Mr. Carver is the sole owner of TOI.
5. Staff recommended the daily fine stop accruing. The outstanding fine amounts to \$21,500.
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 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. 122-2019

Order

IT IS THEREFORE ORDERED by the Board that TOI must begin the process to plug and abandon its wells by the February 13, 2020, public hearing. Failure to begin to plug and abandon its wells as required by this order may result in the forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.

IT IS FURTHER ORDERED that the \$250 daily fine is stopped as of December 5, 2019.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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 IT SHOULD NOT 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 BOARD ORDER 77-2019 MAY RESULT IN FORFEITURE OF THE PLUGGING AND RECLAMATION BOND IN ITS ENTIRETY, AS PERMITTED BY § 82-11-123(5), MCA.

ORDER 125-2019

Docket No. 113-2019

Report of the Board

The above entitled cause came on regularly for hearing on December 5, 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. Lance Benson appeared on behalf of Bensun Energy, LLC (Bensun).
3. Mr. Benson submitted a signed change of operator request for its seven wells to be transferred to Diamond Halo Group, LLC (Diamond Halo).
4. In an email received on December 5, 2019, Ms. Strevey, with Diamond Halo, requested that the change of operator request be modified to omit the Richardson 25-1 well from the transfer. Board staff stated that it was inappropriate for changes to be made and an updated change of operator request should be submitted to reflect an accurate listing of wells to be transferred.
5. Diamond Halo has proposed to meet with the field inspector to review some or all of the Bensun well locations to determine if any violations must be remedied prior to administrative approval of the change of operator request.
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. 125-2019

Order

IT IS THEREFORE ORDERED by the Board that Docket 113-2019 is continued until the February 13, 2020, public hearing.

IT IS FURTHER ORDERED that a revised signed change of operator request (Form 20) be submitted if wells are to be excluded from the transfer.

IT IS FURTHER ORDERED that Diamond Halo is to appear at the February hearing to present the change of operator request.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 5th day of December, 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