

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

UPON THE APPLICATION OF CARDINAL OIL, LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 27, T10N-R31E, ROSEBUD COUNTY, MONTANA, TO DRILL A HORIZONTAL HEATH 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 29-2020

Docket No. 37-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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 Corey Welter 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Whether or not a 500' lateral setback from spacing unit boundaries was adequate to protect correlative rights was discussed.

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

Order

IT IS THEREFORE ORDERED by the Board that two spacing units, one comprised of the E½ of Section 27 and the other, the W½ of Section 27, T10N-R31E, Rosebud County, Montana, are designated to drill a Heath Formation well anywhere within each of said temporary spacing units but not closer than 200' (heel/toe setback) and 660' (lateral setback) to the exterior boundaries thereof.

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

BOARD ORDER NO. 29-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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

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 CARRELL OIL COMPANY DBA COCO TO CAT CREEK HOLDINGS LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 30-2020

Docket No. 38-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Pat Beddow, attorney, and Travis Leck, vice president of operations, appeared on behalf of Cat Creek Holdings LLC (Cat Creek).
3. The Board and its staff reviewed Cat Creek's change of operator request from Carrell Oil Company DBA COCO (Carrell).
4. Cat Creek proposed a \$18,500 UIC plugging and reclamation bond that would cover 10 injection wells and a \$50,000 multiple well plugging and reclamation bond that would cover 25 wells, which includes 8 producing wells and 17 shut-in wells.
5. The Board determined that Cat Creek's proposed plugging and reclamation bonds are adequate and in accordance with ARM 36.22.1308(3).
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. 30-2020

Order

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

IT IS FURTHER ORDERED that Cat Creek must appear at the February 2021, business meeting and provide the Board a summary of its plugging and reclamation plans for its non-producing wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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 TRUE OIL LLC TO THREE FORKS RESOURCES, LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 31-2020

Docket No. 39-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Don Lee, attorney, and Scotty Smith, President and petroleum engineer, appeared on behalf of Three Forks Resources, LLC (Three Forks).
3. The Board and its staff reviewed Three Forks' change of operator request from True Oil LLC (True Oil).
4. Three Forks proposed a \$45,000 UIC plugging and reclamation bond that would cover nine injection wells.
5. The Board determined that Three Forks' existing plugging and reclamation bond of \$50,000 to cover its multiple producing wells and proposed UIC plugging and reclamation bond was adequate and in accordance with § 82-11-123(5), MCA.
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.

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. 31-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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 LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 32-2020

Docket No. 32-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. TJ Oram, attorney, Douglas Stewart, and Lauro Cantu, Jr. telephoned in on behalf of Crazy Mountain Oil & Gas LLC (Crazy Mountain).
3. Crazy Mountain announced the operator will be Montana Energy Company LLC (Montana Energy) and not Crazy Mountain.
4. Montana Energy is not registered with the Montana Secretary of State.
5. The Board discussed whether to hear the application due to the change of the operator company and that company, Montana Energy, not being registered with the Montana Secretary of State. The Board decided to hear the docket to determine the adequate plugging and reclamation bond.
6. The Board and its staff reviewed the change of operator request from Bayswater Exploration & Production, LLC (Bayswater).
7. The company proposed the equivalent bonding as the current operator. 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 65 wells, which includes 34 producing wells and 31 shut-in wells.
8. The company plans on reducing its plugging liability by plugging and abandoning 1-3 wells per quarter.
9. 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 upon the receipt of the original change of operator request for the correct operator, submit plugging and reclamation bonds, and the operator must register with the Montana Secretary of State.

IT IS FURTHER ORDERED that the operator appear at the April 2021, public hearing and provide an update of its activities including any reduction in abandonment liability by either plugging wells or returning wells to production or injection.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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

I dissent

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 ROLAND OIL AND GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$400.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS ROLAND OIL AND GAS TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 33-2020

Docket No. 40-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Roland Oil and Gas (Roland).
3. Roland has not filed production reports since August 2019. The Letter sent to Roland for delinquent production was returned unclaimed.
4. The outstanding fine for delinquent production amount to \$400.
5. The delivery of the certified notice of this hearing was available for pickup on July 17, 2020, but the notice remained unclaimed.
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. 33-2020

Order

IT IS THEREFORE ORDERED by the Board that Roland is fined \$1,000 for failure to appear at the August 6, 2020, public hearing.

IT IS FURTHER ORDERED that by the Board that Roland is to appear at the October 1, 2020, public hearing 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 failure to appear at 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 6th day of August, 2020.

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 SHADWELL RESOURCES GROUP, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADMINISTRATIVE ORDER 3-A-2020 ISSUED AT THE JUNE 24, 2020, BUSINESS MEETING SHOULD NOT REMAIN IN EFFECT FOR THE VELMA SWD 1-10H WELL, API # 25-083-22531, LOCATED IN THE NW¼NW¼ OF SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA. IT WAS ORDERED THAT SHADWELL RESOURCES GROUP, LLC MUST IMMEDIATELY CEASE OPERATIONS AT THE VELMA SWD 1-10H WELL AND THAT NO ADDITIONAL FLUIDS BE TRANSPORTED TO THE LOCATION UNTIL VIOLATIONS ARE REMEDIED, COMPLIANCE IS CONFIRMED BY INSPECTION, AND THIS ORDER IS LIFTED BY THE ADMINISTRATOR.

ORDER 34-2020

Docket No. 41-2020

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Shadwell Resources Group, LLC (Shadwell).
3. Around May 4, 2020, a spill occurred that was estimated to be over 55 barrels of salt water / oil. Staff did not receive immediate notification of the spill or a written report of the spill from Shadwell, as required under ARM 36.22.1103.
4. On May 1, 2020, Chris Blount reportedly acquired the Velma SWD 1-10H injection well from Shadwell. A change of operator was to be submitted within 30 days of the transfer, per ARM 36.22.1308. No change of operator has been received.
5. On June 18, 2020, Mr. Blount called and indicated he would remedy the field compliance issues.
5. Administrative order 3-A-2020, issued on June 25, 2020, directed Shadwell, the bonded operator, to immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator. The issues to be remedied include two spills that need to be cleaned up, overflowing dumpster with used filter socks, lack of weed control, open containers with oily fluids, and a leaking tank.

BOARD ORDER NO. 34-2020

6. At the time of hearing, the outstanding field compliance issues remain unresolved, no written spill report has been received for the spill that occurred around May 4, 2020, and no change of operator had been filed.

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.

Order

IT IS THEREFORE ORDERED by the Board that Shadwell must remedy the field compliance issues for its Velma SWD 1-10H injection well, API # 25-083-22531, located in the NW¼NW¼ of Section 10, T23N-R58E, Richland County, Montana, by August 24, 2020.

IT IS FURTHER ORDERED that Shadwell is subject to a \$250 fine for each day after August 24, 2020, that the violations remain unresolved. The fine will remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that Shadwell is fined \$1,000 for failure to appear at the August 6, 2020, public hearing.

IT IS FURTHER ORDERED by the Board that Docket 41-2020 is continued until the October 1, 2020, public hearing.

BOARD ORDER NO. 34-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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 35-2020

- 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 August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. No one appeared on behalf of Pride Energy Company (Pride).

3. Pride plugged the BN 23-1, BN 10X-23, BN 23-1X, and E. Sundsted 1 prior to this hearing.

4. Staff recommended the docket be dismissed.

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 demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 35-2020

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 127-2019 is dismissed.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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) ENHANCED OIL RECOVERY WELL.

ORDER 36-2020

Docket No. 128-2019

Report of the Board

The above entitled cause came on regularly for hearing on August 6, 2020, 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, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Mr. Larry Carrell, personal representative and trustee of the estate of Lloyd Carrell, appeared as a witness for Carrell Oil Company DBA COCO (Carrell Oil).
3. Pat Beddow, attorney, and Travis Leck, vice president of operations, appeared on behalf of Cat Creek Holdings LLC (Cat Creek), the buyer of Carrell Oil.
4. The Fifer 3 well is not in compliance. Cat Creek stated it will assume the responsibilities and plug and abandon the well this field season once it schedules a plugging contractor.
5. Staff recommended the docket be continued to the October 1, 2020, public hearing and requested the authority to dismiss the docket if the well is plugged prior to the public hearing.
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.

Order

IT IS THEREFORE ORDERED by the Board that Docket 128-2019 is continued until the October 1, 2020, public hearing.

IT IS FURTHER ORDERED that Board staff has authority to dismiss the docket if the Fifer 3 well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, T15N-R30E, Petroleum County, Montana is plugged prior to the October 1, 2020, public hearing.

BOARD ORDER NO. 36-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 6th day of August, 2020.

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