

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

UPON THE APPLICATION OF ENERGY CORPORATION OF AMERICA TO AMEND BOARD ORDER 130-2009 AND/OR BOARD ORDER 377-2013, WHICH ESTABLISHED A TEMPORARY SPACING UNIT COMPRISED OF THE SW¹/₄ AND SW¹/₄SE¹/₄ OF SECTION 13, ALL OF SECTION 14, THE N¹/₂N¹/₂ OF SECTION 23, AND THE N¹/₂NW¹/₄ AND NW¹/₄NE¹/₄ OF SECTION 24, T6S-R17E, CARBON AND STILLWATER COUNTIES, MONTANA, TO EXTEND THE TIMEFRAME WITHIN WHICH A PERMANENT SPACING UNIT APPLICATION MUST BE HEARD UNTIL THE BOARD'S DECEMBER 2017 HEARING DATE.

ORDER 159-2015

Docket No. 153-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Board Order 130-2009 established a temporary spacing unit comprised of lands described in the caption and required that an application for permanent spacing be filed within two years of completion of the first well. Board Order 377-2013 extended the timeframe for the permanent spacing unit requirement to December 2014, and applicant is requesting an additional extension due to current economic conditions.
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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of Section 82-11-201, M.C.A. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the requirement to apply for permanent spacing as set forth in Board Order 130-2009 is hereby extended to the Board's December 2017 hearing.

BOARD ORDER NO. 159-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF INTERSTATE EXPLORATIONS, LLC TO CONVERT THE MBA #2 WELL (API #25-021-21202) IN THE NW¼SW¼ OF SECTION 11, T18N-R56E, DAWSON COUNTY, MONTANA (WILDCAT) TO A CLASS II SALTWATER DISPOSAL WELL IN THE DAKOTA FORMATION AT A DEPTH OF APPROXIMATELY 5,092-5,549 FT. AN AQUIFER EXEMPTION IS BEING REQUESTED AS THE INJECTION ZONE CONTAINS WATER WITH LESS THAN 10,000 MG/L TOTAL DISSOLVED SOLIDS.

ORDER 160-2015

Docket No. 154-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Interstate Explorations, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 160-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE APPLICATION OF DENBURY ONSHORE, LLC TO CONVERT THE ELOB 41-9 WELL (API #25-025-21340) IN THE NE¼NE¼ OF SECTION 9, T7N-R60E, FALLON COUNTY, MONTANA (EAST LOOKOUT BUTTE FIELD) TO A SALTWATER DISPOSAL WELL IN THE MISSION CANYON FORMATION AT A DEPTH OF APPROXIMATELY 7,504-7,835 FT.

ORDER 161-2015

Docket No. 155-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.

2. 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 of Oil and Gas Conservation of the State of Montana concludes that the applicant demonstrated the requirements of A.R.M. 36.22.1403 have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Denbury Onshore, LLC is granted as applied for subject to stipulations on the sundry notice.

BOARD ORDER NO. 161-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE HINTO ENERGY, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$380.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT IS RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS HINTO ENERGY, LLC TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 162-2015

Docket No. 157-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Hinto Energy, LLC.
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Hinto Energy, LLC appear at the December 10, 2015 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment of its wells.

IT IS FURTHER ORDERED that Hinto Energy, LLC is fined \$1,000.00 for failure to appear at the October 29, 2015 public hearing, bringing the total of assessed penalties to \$1,380.00.

IT IS FURTHER ORDERED that the required reports be submitted and fines paid by November 15, 2015 or Hinto Energy, LLC will be required to cease operation of its wells.

BOARD ORDER NO. 162-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE CUSTOM CARBON PROCESSING, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO MAINTAIN THE WELLSITES OF THE WOJAHN A 5-2 WELL LOCATED IN SECTION 2, T13N-R60E, AND THE MICHELS A 8-3 WELL LOCATED IN SECTION 3, T13N-R60E, WIBAUX COUNTY, MONTANA.

ORDER 163-2015

Docket No. 160-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. Eric Olson appeared and read a letter from Custom Carbon Processing Inc. (Custom) president/CEO. Custom acknowledged the outstanding compliance issues and reassured the Board the well sites would be brought into compliance by December 10, 2015 public hearing. A continuance to the December 10, 2015 hearing was requested.
3. Not all the violations have been remedied at the Wojahn A 5-2 and the Michels A 8-3 locations.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the \$250.00 fine for each day after July 1, 2015 that the violations remain unresolved remain in effect until compliance is confirmed by inspection.

IT IS FURTHER ORDERED that the accumulation of the daily fine from July 1, 2015 through November 13, 2015 along with the \$1,000 fine assessed on June 25, 2015, be paid on or before November 13, 2015.

BOARD ORDER NO. 163-2015

IT IS FURTHER ORDERED that Docket 160-2015 be continued to the Board's December 10, 2015 hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE KELLY OIL AND GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND COVERING THE STATE E-2 WELL SHOULD NOT BE FORFEITED AND WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY \$3,120.00 IN CURRENT PENALTIES AND FEES; FOR FAILURE TO MAINTAIN MECHANICAL INTEGRITY ON THE STATE #1, STATE E-2, AND SHELHAMER 1A INJECTION WELLS, FOR FAILURE TO INITIATE A REMEDY FOR THE FIELD VIOLATIONS PRIOR TO THE MAY 21, 2015 HEARING DEADLINE FOR THE STENSVAD 2X-25 AND DYBVIK KV-1 WELLSITES, FOR FAILURE TO RESPOND TO PRIOR SHOW-CAUSE ORDERS, AND FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS.

ORDER 164-2015

Docket No. 95-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Kelly Oil and Gas, LLC (Kelly).
3. Kelly has not paid the outstanding fines and the previously identified compliance issues have not been resolved.
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 of Oil and Gas Conservation of the State of Montana concludes that the respondent has not demonstrated 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. 164-2015

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Kelly Oil and Gas, LLC abandon the State 1, State E-2, and R. Shelhamer 1A wells prior to the December 10, 2015 public hearing or show-cause, if any it has, why the plugging and reclamation bonds for its injection wells should not be forfeited.

IT IS FURTHER ORDERED that Kelly Oil and Gas, LLC appear at the December 10, 2015 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment of its producing wells.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE ALTURAS ENERGY LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR THE PLUGGING OF ITS WELLS, AND FOR FAILURE TO PAY THE FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S APRIL 30, 2015 HEARING.

ORDER 165-2015

Docket No. 96-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.

2. No one appeared on behalf of Alturas Energy LLC (Alturas).

3. Alturas submitted incomplete sundry notices for the plugging of the Bass Marker 20-33 and for stimulation of the Andrew Petersen 28-1, Sundheim 14-1, and Degn 29-44 wells. All sundry notices were returned as they were found to be incomplete.

4. Staff recommended that the plugging and reclamation bond of Alturas be forfeited for failure to remedy the field violations at its Degn 29-44, Bass Marker 20-33, Scheetz 21-1, Andrew Petersen 28-1, Carlsen-Lyche 21-41, Carlsen-Lyche 22-12, and Sundheim 14-15 wells.

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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the plugging and reclamation bond for Alturas Energy LLC is hereby forfeited.

BOARD ORDER NO. 165-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE AUGUSTA EXPLORATION, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO PROVIDE A PLAN AND TIMELINE FOR PLUGGING ITS KRONE-AUGUSTA 31-32 WELL, API # 25-049-21111, LOCATED IN SECTION 32, T18N-R5W, LEWIS AND CLARK COUNTY, MONTANA AND WHY ADDITIONAL PENALTIES SHOULDN'T BE ASSESSED FOR FAILURE TO APPEAR AT THE BOARD'S APRIL 30, 2015 HEARING.

ORDER 166-2015

Docket No. 97-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. The Board reviewed the status of the action in federal court involving Augusta. The Board sought additional information about the Krone-Augusta 31-32 well logs and the status of the federal court litigation, which would enable the staff to assess the plugging liability and to develop a procedure for abandonment of the well.
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 of Oil and Gas Conservation of the State of Montana concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Augusta Exploration, LLC is to immediately provide to the Board copies of available mud logs and electrical logs from its Krone-Augusta 31-32 well.

IT IS FURTHER ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Docket 97-2015 is continued until the December 10, 2015 public hearing.

BOARD ORDER NO. 166-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist

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

UPON THE BOARD'S OWN MOTION TO REQUIRE MIOCENE OIL COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$120.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS MIOCENE OIL COMPANY TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 167-2015

Docket No. 143-2015

Report of the Board

The above entitled cause came on regularly for hearing on October 29, 2015 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 John Evans was absent. 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 and 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 opportunity to present evidence, oral and documentary.
2. No one appeared on behalf of Miocene Oil Company (Miocene).
3. At Miocene's request this docket had been continued from the Board's August hearing to allow it more time to come into compliance. Miocene failed to provide the required reports or pay the penalties assessed for delinquent reporting.
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 of Oil and Gas Conservation of the State of Montana concludes that respondent has not demonstrated that the requirements of Title 82, Chapter 11, M.C.A. and A.R.M. 36.22.101, et.seq. have been met.

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Miocene Oil Company appear at the December 10, 2015 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment of the Summer Night 21-1 well located in T33N-R48E, Section 21, Daniels County, Montana.

BOARD ORDER NO. 167-2015

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 29th day of October, 2015.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Wayne Smith, Vice-Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist