

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 PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO COMPLETE OR PLUG AND ABANDON THE FT. GILBERT 3 SWD LOCATED IN THE SW¹/₄NE¹/₄ OF SECTION 32, T24N-R59E, RICHLAND COUNTY, MONTANA (FORT GILBERT FIELD), IN VIOLATION OF ARM 36.22.1303.

ORDER 28-2016

Docket No. 31-2016

Report of the Board

The above entitled cause came on regularly for hearing on August 11, 2016, 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 Wayne Smith 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, 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 Shadwell Resources Group, LLC (Shadwell).
3. Staff recommended that Shadwell either complete or plug and abandon the Ft. Gilbert 3 SWD. This well has been in unknown completion status for the past four years. Shadwell requested several extensions to complete the well, but hasn't submitted any Sundry Notices or partial completion reports to update the work done on the well.
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 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 of Oil and Gas Conservation of the State of Montana that Shadwell Resources Group, LLC complete or plug and abandon the Ft. Gilbert 3 SWD well located in the SW¹/₄NE¹/₄ of Section 32, T24N-R59E, Richland County, Montana prior to the October 27, 2016, public hearing.

IT IS FURTHER ORDERED that Shadwell Resources Group, LLC is fined \$1,000 for failure to appear at the August 11, 2016, public hearing.

BOARD ORDER NO. 28-2016

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of August, 2016.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, 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 STORM CAT ENERGY (USA) OPERATING CORPORATION TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING, FOR FAILURE TO FILE REPORTS, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S JUNE 16, 2016, PUBLIC HEARING.

ORDER 29-2016

Docket No. 32-2016

Report of the Board

The above entitled cause came on regularly for hearing on August 11, 2016, 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 Wayne Smith 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, 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 Storm Cat Energy (USA) Operating Corporation (Storm Cat).
3. Bruce Porter, a mineral and surface owner, appeared to protect and prevent the plugging and reclamation of Storm Cat's Porter 10-43 06-06CK well on his property. Mr. Porter plans to use the well for livestock water.
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 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 of Oil and Gas Conservation of the State of Montana that Storm Cat Energy (USA) Operating Corporation is to appear at the October 27, 2016, public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells.

IT IS FURTHER ORDERED that Storm Cat Energy (USA) Operating Corporation is to pay the outstanding fine of \$1,340 by October 27, 2016.

BOARD ORDER NO. 29-2016

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of August, 2016.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, 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 STRATEX OIL AND GAS, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING, FOR FAILURE TO FILE REPORTS, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE BOARD'S JUNE 16, 2016, PUBLIC HEARING.

ORDER 30-2016

Docket No. 33-2016

Report of the Board

The above entitled cause came on regularly for hearing on August 11, 2016, 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 Wayne Smith 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, 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 Stratex Oil and Gas, Inc. (Stratex).
3. Stratex failed to pay the outstanding fine in the amount of \$1,160 and has not filed the delinquent production reports.
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 the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

BOARD ORDER NO. 30-2016

Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Stratex Oil and Gas, Inc. is to appear at the October 27, 2016, 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 well and why additional penalties should not be assessed for failure to file delinquent production reports, pay the outstanding fine, and appear at the August 11, 2016, public hearing.

IT IS FURTHER ORDERED that Board Order 27-2016 remain in effect, Stratex Oil and Gas, Inc. is to continue to cease operation of its well.

IT IS FURTHER ORDERED that Stratex Oil and Gas, Inc. is to pay the outstanding fine of \$1,160 by October 27, 2016.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of August, 2016.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, 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 STEALTH ENERGY USA, INC. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ITS PLUGGING AND RECLAMATION BOND SHOULD NOT BE FORFEITED FOR FAILURE TO BEGIN TO PLUG AND ABANDON ITS WELLS AS REQUIRED BY BOARD ORDER 7-2016, IN ACCORDANCE WITH § 82-11-123(5), MCA.

ORDER 31-2016

Docket No. 24-2016

Report of the Board

The above entitled cause came on regularly for hearing on August 11, 2016, 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 Wayne Smith 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, 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. Jacob Haseman, attorney, and Christian Vanderhoef, engineering consultant, appeared on behalf of Stealth Energy USA, Inc. (Stealth).
3. Stealth paid the outstanding fine in the amount of \$1,420 and filed delinquent production reports.
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 of Oil and Gas Conservation of the State of Montana concludes 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 Docket 24-2016 is dismissed.

BOARD ORDER NO. 31-2016

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 11th day of August, 2016.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Linda Nelson, Chairman

Steven Durrett, Board Member

Ronald S. Efta, Board Member

Paul Gatzemeier, Board Member

Peggy Ames Nerud, Board Member

ATTEST:

Jennifer Rath, Program Specialist