



NELSON LAW FIRM, P.C.
ATTORNEYS AT LAW

Welter Consulting v. Cardinal Oil (verdict)

DISTRICT COURT

VERDICT: \$112,000 for Plaintiff oil drilling consultant, \$0 for Counterclaimant project owner.

In 2020 Cardinal Oil made plans to drill and frac a well near Melstone. It asked Jerrid Allen, a subcontractor for Welter Consulting, to assist with the drilling. Allen turned the matter over to the owners of Welter. Welter and Cardinal negotiated a rate of \$1,400 per day for 2 of Welter's independent contractors. At the end of the drilling, Welter billed Cardinal for \$112,000. Cardinal's independent contractor, Danny Green, promised payment, but Cardinal never paid. Welter liened the well, then sued for nonpayment.

Cardinal counterclaimed for negligence and breach of contract. It claimed \$2-3 million in project cost overruns and "\$20,000,000 to \$30,000,000" in lost profit damages.

Welter's expert, Duane Zimmerman, opined that its drilling consultants delivered a proper well to specs according to Cardinal's own drilling plan, Cardinal received a complete well because of, not in spite of, Welter's drilling consultants, and Cardinal incurred no damages as cost overruns or loss of profit. The well only made 38 barrels per day after frac, and was shuttered because it was not economically viable.

For its counterclaim, Cardinal's owner, Carter Stewart, claimed that he thought Welter was supplying drilling engineers, not drilling consultants, and that all delays, cost overruns, and lost profits were Welter's fault.

The 12-0 Forsyth jury awarded Welter \$112,000 for its invoice against Cardinal and \$0 to Cardinal for any breach of contract or improper work causing damage to Cardinal.

Plaintiff's expert: petroleum engineer Duane Zimmerman, Billings.

Defendant's expert: none.

Welter's claim: Demand, \$112,000; offer, \$0. Jury request, \$112,000; jury suggestion, \$0.

Cardinal's counterclaim: Demand, "millions"; offer, \$0. Jury request \$2 million; jury suggestion, \$0.

Mike George, mediator.

Jury deliberated 10 minutes 3rd day; Judge Murnion.

Welter Consulting v. Cardinal Oil, Rosebud DV-21-36, 6/13/24.

Randall Nelson (Nelson Law Firm), Billings, for Welter; Eric Henkel (Christian, Samson & Baskett), Missoula, for Cardinal.