# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION



STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



August 31, 2020

Scotty Smith, President Three Forks Resources, LLC 4080 Youngfield Street Wheatridge, CO 80033

Re: Pending Notice of Intent to Change Operator and Request to Appear

Dear Three Forks Resources, LLC:

The Board of Oil and Gas Conservation (Board) recently received an email with an anticipated change operator request from Croft Petroleum Co. to Three Forks Resources, LLC (Three Forks). The official Notice of Intent to Change Operator request has not yet been received by the Board.

The request and the approval of the request will result in 5 or more inactive wells on Three Forks' multiple well bond. Due to the Board's transfer of plugging and reclamation policy, the approval of the change of operator request is being referred to the Board. The policy is enclosed. Three Forks is to appear at the October 1, 2020, public hearing. At that time, the Board will determine if Three Forks' current \$50,000 multiple well plugging and reclamation bond is adequate prior to the approval of the change of operator request.

Three Forks and its attorney should review the enclosed policy for the suggested information to provide to the Board.

If you have any questions, please contact me at (406) 656-0040 or at jhalvorson@mt.gov.

Sincerely,

Jim Halvorson

Administrator / Petroleum Geologist

cc: Croft Petroleum Co.
Don Lee, Lee Law Office PC

DIVISION OFFICE 1539 11th AVENUE PO BOX 201601 HELENA, MONTANA 59620-1601 (406) 444-6731

TECHNICAL AND SOUTHERN FIELD OFFICE 2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102-4693 (406) 656-0040 NORTHERN FIELD OFFICE 201 MAIN STREET PO BOX 690 SHELBY, MONTANA 59474-0690 (406) 434-2422 FORM NO. 20 R 10/09

SUBMIT IN QUADRUPLICATE TO

ARM 36.22.307 36.22.1308

### MONTANA BOARD OF OIL AND GAS CONSERVATION 2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59192

The undersigned Transferor horeby nettlies the Sourd of Cil and Gas Canseyvetion of its intention to transfer ownership and/or operation of the following wells to the undersigned Transferee:  Lease Name:  See Exhibit "A" attached hereto  County: Toole & Liberty  Description of wells: Include API well number, well name and number, and exact toose on of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type. ( Ederal, Indian, Private, State)  Attached hereto  Description of wells: Include API well number, well name and number, and exact toose on of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type. ( Ederal, Indian, Private, State)  Number of Wells to be Transferred:  14  Effective Date of Transfer:  Transferor's Statement:  It needly designate the Transferor statement herein as the owner and/or perater of mexact derivatives the responsible for sald well(s) and all associated equipment and facilities until such time as the transfer or or insected the transferor ordinates to be responsible for sald well(s) and all associated equipment and facilities until such time as the transfer is approach by the Montana Board of Chi and Gas Conservation. I certify that the intermedion contained herein is true and correct:  Company  Croft Petroleum Co.  Street Address  P.O. Box 397  Croft Petroleum Co.  Street Address  P.O. Box 397  Croft Petroleum Co.  Street Address  P.O. Box 397  Croft Petroleum Co.  BOARD USE ONLY  Print Name  Title President  Telephone ( 408 ) 373-5547  BOARD USE ONLY  Print Name  Field Orice Review  Date  Date  Name  Title President  Title President  Telephone ( 303 ) 318-0717  Date  Date  Date  Name  Title President  Telephone ( 406 ) 973-5547  Field Orice Review  Done Initial Inspection	Notice of Intent	to Change Operator
See Exhibit "A" attached hereto  County: Toole & Liberty  Description of walts: Include API well number, well name and number, and exact toos on of the well including Township, Range, Section, quarter-and footage measurements, and lease type. ( Federal, Indian, Private, State)  Attach additional sheets as necessary.  Number of Wells to be Transferred:  14  Effective Date of Transfer:  Transferor's Statement: I hereby designate the Transferor annet herein as the owner andreo operator of record of the above described well(s). I addranded the transfer will not be approved the first incrementation of the section of th		
Description of wells include API well number, well name and number, and exact loopion of the well including Township, Range, Section, quarter-quarter and flootage measurements, and tease type. ( Eederal, Indian, Private, State)  See Exhibit "A" attrached hereto and by this reference incorporated herein for all purposes.  Number of Wells to be Transferred:  Transferor's Statement: It remays designate the Transferre named herein as the corner and/or proported of the above second of t	A STATE OF THE PROPERTY OF THE	1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
See Exhibit "A" attached hereto and by this reference incorporated herein for all purposes.  Number of Wells to be Transferred:  14  Effective Date of Transfer:  Transferor's Statement:  I hereby designate the Transferor or named herein as the owner and/or operator of record of the propossible for the propossible for the propossible of the formation continues to be responsible for the add veile(a) and at associated enulgment and facilities until such time as this transfer is approved by the Montana Beard of Oil and Gas Conservation. I certify that the information contained herein is true and correct:  Company Croft Petroleum Co.  Street Address  P.O. Box P.O. Box 397  City, State ZiP Cut Bank, MT 59427  Signed  Print Name  Company Three Forks Resources, LLC  Street Address  P.O. Box P.O. Box 397  City, State ZiP Cut Bank, MT 59427  Signed  Print Name  BOARD USE ONLY  Approved  Date  Name  Title  Poerations  Field Office Review  Operations  Date  Inspection	• 1	1 50/200000000000000000000000000000000000
Number of Wells to be Transferred: 14 Effective Date of Transfer:  Transferor's Statement: I hereby designate the Transferre named herein as the owner and/or poperator of ineacord of the above described well(s). I advantage that the Transferor continues to be responsible for said well(s) and all associated indignment and facilities until such time as this transfer is associated indignent and realities until such time as this transfer is associated indignent and realities until such time as this transfer will not be approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:  Company  Croft Petroleum Co.  Street Address  P.O. Box P.O. Box 397  City, State, ZIP Cut Bank, MT 59427  Signed  Print Name  Jerry Croft  Telephone (406) 873-5547  Date  BOARD USE ONLY  Approved  Name  Title  President  Telephone (406) 873-5547  Date  Title  Title  Title  Transferee's Statement  Transferee's State		
Transferor's Statement: If hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I adknowledge that the Transferor continues to be responsible for said well(s) and associated inculpment and facilities until such time as this transfer is approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:  Transferee's Statement:  I hereby designate the Transferee's Statement:  I hereby designation of operator/owner for the above described divell(s). I understand that this transfer will not be approved described well(s). I understand that this transfer will not be approved described divell(s). I understand that this transfer will not be approved described above to responsible for the costs of proper plugging and requirements. I acknowledge that under Section 82-11-101 MCA, the Transferse's herein is responsible for the costs of proper plugging and requirements. I acknowledge that under Section 82-11-101 MCA, the Transferse's herein is responsible for the costs of proper plugging and requirements. I acknowledge that under Section 82-11-101 MCA, the Transferse's herein is responsible for the costs of proper plugging and restoration of this surface of the walk(s) described above. I certify that the information contained herein is true and correct:  Company Three Forks Resources, LLC  Street Address  P.O. Box  City, State, ZIP Wheat Ridge, CO 80033  Signed  Print Name Scotty A. Smith  Title President  Telephone ( 406 ) 873-5547  Date  BOARD USE ONLY  Field Office Review Date Initial  Inspection  Records Review  Operations	See Exhibit "A" attached hereto and by this reference inco	rporated herein for all purposes.
I hereby designate the Transferee named herein as the owner and/or operator of record of the above described evel(e). I adxnowledge that the Transfer continues to be responsible for said wel(e) and all all associated equipment and facilities until such time as this transfer is approved by the Montana Board of Oil and Gas Conservation. I certify that the information contained herein is true and correct:  I hereby designate the Transferee named herein as the owner and/or perator of record of the above described well(e). I understand that this transfer will not be approved by the Transfers in the above described well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved well(e). I understand that this transfer will not be approved to the place of the designation of operator will not be approved to the place of the p	Number of Wells to be Transferred: 14	Effective Date of Transfer:
Street Address P.O. Box P.O. Box 397 City, State, ZIP Cut Bank, MT 59427 Signed Print Name Jerry Croft Title President Telephone ( 406 ) 873-5547 Date  BOARD USE ONLY  Field Office Review Operations  Street Address 4080 Youngfield Street P.O. Box City, State, ZIP Wheat Ridge, CO 80033 Signed Print Name Scotty A. Smith Title President Telephone ( 303 ) 318-0717 Date  BOARD USE ONLY  Field Office Review Operations	The second control of	described well(s). I understand that this transfer will not be approved until the Transferee has complied with the Board's bonding requirements. I acknowledge that under Section 82-11-101 MCA, the Transferee herein is responsible for the costs of proper plugging and restoration of the surface of the well(s) described above. I certify that
P.O. Box P.O. Box 397  City, State ZIP Cut Bank, MT 59427  Signed Print Name Jerry Crofit Print Name Scotty A. Smith  Title President  Telephone (406) 873-5547  Date BOARD USE ONLY  Proved Date Title President  Title President  Title President  Telephone (303) 318-0717  Date Initial Inspection  Records Review Operations	Company Croft Petroleum Co.	Company Three Forks Resources, LLC
City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  Telephone ( 406 ) 873-5547  Date  BOARD USE ONLY  Approved  Date  Name  Title  Name  Title  President  Title President  Telephone ( 303 ) 318-0717  Date  BOARD USE ONLY  Field Office Review  Operations  Name  Title  Operations	Street Address	Street Address 4080 Youngfield Street
Signed Print Name Jerry Croft Print Name Scotty A. Smith Title President Telephone (406) 873-5547 Telephone (303) 318-0717 Date BOARD USE ONLY Approved Date Name Title President Telephone (303) 318-0717 Date Inspection Records Review Operations	P.O. Box P.O. Box 397	P.O. Box
Print Name   Jerry Croft   Print Name   Scotty A. Smith   Title   President   Title   President   Telephone ( 406 )   873-5547   Telephone ( 303 )   318-0717   Date   South	City, State, ZIP Cut Bank, MT 59427	City, State, ZIP Wheat Ridge, CO 80033
Title President  Telephone ( 406 ) 873-5547  Date	Signed My MAN	Signed
Telephone ( 406 )	Print Name Jerry Croft	Print Name Scotty A. Smith
Date 8/27/2020  BOARD USE ONLY  Approved  Date  Field Office Review Date Initial Inspection Records Review Operations	Title President	Title President
Approved Date Date Title  BOARD USE ONLY Field Office Review Inspection Records Review Operations	Telephone (_406_) 873-5547	Telephone (_303_) 318-0717
Approved Field Office Review Date Initial  Date Inspection Records Review Operations	Date 8/27/2020	
Date Inspection Records Review Operations	BOARD	USE ONLY
Name Title Operations		Inspection
Oper No. Bond No. Bond No.	Name Title	
	Oper. No. Bond No.	Oper No. Bond No.

#### SUBMIT IN QUADRUPLICATE TO

ARM 36.22.307 36.22.1308

# MONTANA BOARD OF OIL AND GAS CONSERVATION 2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102

### Notice of Intent to Change Operator

The undersigned Transferor hereby notifies the Board of Oil and Gas Conservation of its intention to transfer ownership and/or operation of the following wells to the undersigned Transferee:

City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  Telephone ( 406 ) 873-5547  Date  City, State Signed Print Name Signed Print Name Print Na	tte, ZIB. Wheat Ridge, CO 80033  The Scotty A. Smith resident record of the sesident record
City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  Telephone ( 406 ) 873-5547  Date  BOARD USE ONLY  Approved  City, State Signed  Print Na Title Print	te, ZIB Wheat Ridge, CO 80033  The Scotty A. Smith  esident  ne (303) 318-0717  Sala / 20
City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  Telephone ( 406 ) 873-5547  Date	tte, ZIB. Wheat Ridge, CO 80033  The Scotty A. Smith  esident
City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  Telephone ( 406 ) 873-5547  City, State Signed Signed Signed Print Name Jerry Croft  Telephone Title Print Name Jerry Croft  Telephone ( 406 ) 873-5547	tte, ZIB. Wheat Ridge, CO 80033  The Scotty A. Smith  esident
City, State, ZIP Cut Bank, MT 59427  Signed  Print Name Jerry Croft  Title President  City, State SIgned  Print Name Jerry Croft  Title Print Name	tte, ZIB. Wheat Ridge, CO 80033  The Scotty A. Smith  esident
City, State, ZIP Cut Bank, MT 59427  Signed Signed Signed Print Name Jerry Croft Print Na	wheat Ridge, CO 80033  The Scotty A. Smith
City, State, ZIP Cut Bank, MT 59427 City, State Signed Signed	wheat Ridge, CO 80033
City, State, ZIP Cut Bank, MT 59427 City, Sta	
P.O. Poy P.O. Hox 397	
	ddress 4080 Youngfield Street
	Three Forks Resources, LLC
nat the information contained herein is true and correct: featoration the inform	n of the surface of the well(s) described above. I certify tha ation contained herein is true and correct:
perator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and all until the associated equipment and facilities until such time as this transfer is requirement approved by the Montana Board of Oil and Gas Conservation. I certify	Transferee's Statement: accept the designation of operatorlowner for the above well(s). I understand that this transfer will not be approve Transferee has complied with the Board's bonding ints. I acknowledge that under Section 82-11-101 MCA, the herein is responsible for the costs of proper plugging and
Number of Wells to be Transferred: 14	Effective Date of Transfer:

## **EXHIBIT "A"**

Attached to "Notice of Intent to Change Operator" dated August 26, 2020, by and between CROFT PETROLEUM CO., Transferor, and THREE FORKS RESOURCES, LLC, Transferee.

### Wells

- 1. State 34-16 API No. 25-101-23013 SW¼SW¼SE¼ Sec. 16-T35N-R2E 330' FSL & 2,100' FEL
- 2. State 24-16 API No. 25-101-23012 N½SE¼SW¼ Sec. 16-T35N-R2E 330' FSL & 2,250' FWL
- 3. Gunderson 1-21X API No. 25-101-22882 SW¼NE¼SE¼ Sec. 21-T35N-R2E 1,725' FSL & 990' FEL
- 4. Gunderson 2-21 API No. 25-101-22911 SW'/SE'//NE'// Sec. 21-T35N-R2E 2,310' FNL & 990' FEL
- 5. Gunderson 1-22 API No. 25-101-22985 NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> Sec. 22-T35N-R2E 1,065' FSL & 330' FWL
- 6. Gunderson 41-28 API No. 25-101-22930 NE¼NE¼NE½ Sec. 28-T35N-R2E 330' FNL & 330' FEL
- 7. Triple G Farms 4-21 API No. 25-101-23027 SW'4NE'4 Sec. 21-T35N-R2E 1,980' FNL & 1,980' FEL

- 8. State #1
  API No. 25-101-21405
  C SW¼NE¼ Sec. 16-T34N-R2E
  1,980' FNL & 1,980' FEL
- 9. State (1-16) 2 API No. 25-101-21446 SW¼NE¼NE¼ Sec. 16-T34N-R2E 990' FNL & 990' FEL
- 10. State #4
  API No. 25-101-21712
  NE½SW¼NE½ Sec. 16-T34N-R2E
  1,703' FNL & 1,703' FEL
- 11. State #5
  API No. 25-101-21974
  SE¼NW¼NE¼ Sec. 16-T34N-R2E
  990' FNL & 1,650' FEL
- 12. Northern Farms 10-10-1 API No. 25-051-60008 NW¼SE¼ Sec. 10-T37N-R5E 1,830' FSL & 1,980' FEL
- 13. Bachmann 16-1 API No. 25-051-21482 NW¼SE¼SE¼ Sec. 1-T36N-R6E 990' FSL & 990' FEL
- 14. Sanborn (1-0995-6) 1 API No. 25-051-21182 SW¼NE¼NE¼ Sec. 7-T36N-R7E 990' FNL & 990' FEL