

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

STEVE BULLOCK, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

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,

A handwritten signature in blue ink that reads "Jim".

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 QUADRUPPLICATE 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:		

Lease Name: See Exhibit "A" attached hereto	Lease type: (Private, State, Federal, Indian) Private & State
--	--

County: Toole & Liberty	Field name: See Exhibit "A" attached hereto
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Description of wells: Include API well number, well name and number, and exact location of the well including Township, Range, Section, quarter-quarter and footage measurements, and lease type. (Federal, Indian, Private, State) Attach additional sheets as necessary.

See Exhibit "A" attached hereto and by this reference incorporated herein for all purposes.

Number of Wells to be Transferred: <u>14</u>	Effective Date of Transfer: _____
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Transferor's Statement:

I hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and 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:

Transferee's Statement:

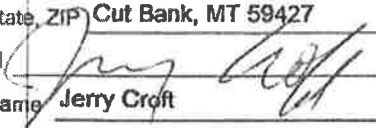
I hereby accept the designation of operator/owner for the above described well(s). I understand that this transfer will not be approved until the Transferee has complied with the Board's bonding requirements. I acknowledge that under Section 82-11-101 MCA, the Transferee herein is responsible for the costs of proper plugging and restoration of the surface of the well(s) described above. I certify that 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

Title President

Telephone (406) 873-5547

Date 8/27/2020

Company Three Forks Resources, LLC

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 8.26.2020

BOARD USE ONLY

Approved _____

Date _____

Name _____ Title _____

Field Office Review	Date	Initial
Inspection	_____	_____
Records Review	_____	_____
Operations	_____	_____

Oper. No. _____	Bond No. _____
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Oper. No. _____	Bond No. _____
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MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE BILLINGS, MONTANA 59102

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I hereby designate the Transferee named herein as the owner and/or operator of record of the above described well(s). I acknowledge that the Transferor continues to be responsible for said well(s) and 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.

Transferee's Statement:
I hereby accept the designation of operator/owner for the above 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 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
Title President
Telephone (406) _____ 873-5547
Date _____

Company Three Forks Resources, LLC
Street Address 4080 Youngfield Street
P.O. Box _____
City, State, ZIP Wheat Ridge, CO 80033
Signed Scotty A. Smith
Print Name Scotty A. Smith
Title President
Telephone (303) _____ 318-0717
Date 8/26/20

BOARD USE ONLY

Approved _____
Date _____
Name _____ Title _____

Field Office Review	Date	Initial
Inspection	_____	_____
Records Review	_____	_____
Operations	_____	_____

Oper. No. _____ Bond No. _____

Oper. No. _____ Bond No. _____

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
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16-T35N-R2E
330' FSL & 2,100' FEL
2. State 24-16
API No. 25-101-23012
N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T35N-R2E
330' FSL & 2,250' FWL
3. Gunderson 1-21X
API No. 25-101-22882
SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21-T35N-R2E
1,725' FSL & 990' FEL
4. Gunderson 2-21
API No. 25-101-22911
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21-T35N-R2E
2,310' FNL & 990' FEL
5. Gunderson 1-22
API No. 25-101-22985
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 22-T35N-R2E
1,065' FSL & 330' FWL
6. Gunderson 41-28
API No. 25-101-22930
NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 28-T35N-R2E
330' FNL & 330' FEL
7. Triple G Farms 4-21
API No. 25-101-23027
SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21-T35N-R2E
1,980' FNL & 1,980' FEL

8. State #1
API No. 25-101-21405
C SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
1,980' FNL & 1,980' FEL
9. State (1-16) 2
API No. 25-101-21446
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
990' FNL & 990' FEL
10. State #4
API No. 25-101-21712
NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
1,703' FNL & 1,703' FEL
11. State #5
API No. 25-101-21974
SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16-T34N-R2E
990' FNL & 1,650' FEL
12. Northern Farms 10-10-1
API No. 25-051-60008
NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 10-T37N-R5E
1,830' FSL & 1,980' FEL
13. Bachmann 16-1
API No. 25-051-21482
NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 1-T36N-R6E
990' FSL & 990' FEL
14. Sanborn (1-0995-6) 1
API No. 25-051-21182
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 7-T36N-R7E
990' FNL & 990' FEL