



Monday, March 01, 2021

Petroleum Consultants & Operation Managers

Jim Halvorson
State of Montana
Board of Oil & Gas Conservation
2535 St. Johns Avenue
Billings, Montana 59102

RE: Change of Operator – Cut Bank Gas Field Wells

Dear Mr. Halvorson and Members of the Board:

Attached please find Form 20 - Change of Operator, along with a list of wells for transfer from Omimex Canada Ltd to Montalban Oil & Gas Operations, Inc (MOGO, INC). There are 205 total wells for transfer. Of those 200 wells, there were as many as 56 non-producing wells in April 2020 and as few as 40 in June 2020, prior to the field being shut-in. Montalban Oil & Gas Operations, Inc (MOGO, INC) is currently working with Omimex Canada Ltd to bring these wells back on production in the next 30 to 60 days. MOGO, INC intends to evaluate the shut-in wells over the next 12-months and provide a plan to the Board on how we intend to handle these wells in the future. We believe several of the wells can be returned to production when they are cleaned out, as a number of these wells have not been worked over in years.

Montalban Oil & Gas Operations, Inc., (MOGO, INC) proposes to place a \$200,000 Cash Bond for the transfer of the wells in the Cut Bank Gas Field from Omimex Canada Ltd to MOGO, INC. The Bond will be placed with the Freedom Bank in Columbia Falls, Montana in the name of MOGO, INC and the MT Board of Oil & Gas Conservation.

We believe that a \$200,000 Cash Bond is a fair amount for the liability of these wells. In addition, it will increase the total amount of bonding in place with the Board of Oil & Gas for MOGO, INC to a level that we feel should make the Staff and Board comfortable that all wells are sufficiently bonded.

We thank you kindly for all your time and consideration.

Sincerely


MONTALBAN OIL & GAS OPERATIONS, INC

Patrick M. Montalban
President & CEO