

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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07/06/2022

TRANSFER OF OPERATORSHIP

A Selling Operator will notify the Commission about the transfer of any Transferable Item associated with its Oil and Gas Operations to a Buying Operator by filing a Form 9, Transfer of Operatorship – Intent, with the Commission at least 30 days, or as soon as practicable, before the anticipated transfer date. (Rule 218.b.) When a transaction subject to a Form 9 – Intent becomes final, the Buying Operator will submit a Form 9 – Subsequent within 7 days of closing. (Rule 218.d.(1).)

Type of Form 9, Transfer of Operatorship: ☒ **Intent** ☐ **Subsequent** Intent # 0

OPERATOR INFORMATION

SELLING OPERATOR INFORMATION

OGCC Operator Number: 10683

Contact Name and Telephone:

Name of Operator: HRM RESOURCES III LLC

Name: Gina Payne

Address: 410 17TH STREET SUITE 1600

Phone: (303) 893-6621

City: DENVER State: CO Zip: 80202

Email: gpayne@hrmres.com

BUYING OPERATOR INFORMATION

OGCC Operator Number: 10568

Contact Name and Telephone:

Name of Operator: WEXPRO DEVELOPMENT COMPANY

Name: Paul Jibson

Address: PO BOX 458

Phone: (801) 324-5169

City: ROCK SPRINGS State: WY Zip: 82902

Email: paul.jibson@dominionenergy.com

TRANSFER INFO

Transfer Dates

Form 9 Intent - Anticipated Date of Transfer: 07/01/2022

Form 9 Subsequent - Effective Date of Transfer: s

Confidentiality

Transfer is Confidential: No

Financial Assurance

Form 9 Intent - Estimated amount of Financial Assurance the Buying Operator will submit prior to anticipated date of transfer: \$ 25,000

Form 9 Subsequent - The Buying Operator's Financial Assurance:

SUBSEQUENT LIABILITY

Rule 218.d.(1).D.i.

"For Transferable Items listed in Rule 218.d.(1).B.i an acknowledgment that upon the effective date of transfer, that the Buying Operator assumes all responsibility for compliance with the Act, the Commission's Rules, and all terms and conditions of existing Permits and Commission orders for the Transferable Items."

In checking this box the Buying Operator's acknowledges the subsequent liability pursuant to Rule 218.d.(1).D.i. ☐

Rule 218.d.(1).D.ii.

"For Transferable Items listed in Rule 218.d.(1).B.ii or iii, an acknowledgment that the Buying Operator may be or may become responsible for compliance with the Act, the Commission's Rules, and all terms and conditions of existing Permits and Commission orders if the Buying Operator takes any action, or fails to take any action, that would cause such Transferable Item to be out of compliance with the Act, the Commission's Rules, and all terms and conditions of existing Permits and Commission orders."

In checking this box the Buying Operator's acknowledges the subsequent liability pursuant to Rule 218.d.(1).D.ii. ☐

Rule 218.d.(1).D.iii.

"For Transferable Items not listed in Rule 218.d.(1).B.i-iii but Related in the Commission's records, an acknowledgment that the Commission will presume that the Transferable Item was transferred, and that the Buying Operator is responsible for compliance with the Act, the Commission's Rules, and all terms and conditions of existing Permits and Commission orders for the Transferable Items."

In checking this box the Buying Operator's acknowledges the subsequent liability pursuant to Rule 218.d.(1).D.iii. ☐

SUBMITTAL

OPERATOR COMMENT AND SUBMITTAL

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Gina Payne Email: gpayne@hrmres.com

Signature: _____ Title: Operations Technican Date: 07/06/2022

Wells & Facilities Proposed for Transfer Summary

1	<u>Facility Type</u>	<u>API</u>	<u>Facility ID</u>	<u>Location ID</u>	<u>Facility Name</u>	<u>QtrQtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
	WELL	081-07298	284461	313284	SPARKS RIDGE UNIT #1	SWSW	5	11N	101W
	<u>County</u>	<u>Min.Owner. Type</u>	<u>Current Operator Num</u>	<u>Current Operator Name</u>					
	MOFFAT	FEDERAL	10683	HRM RESOURCES III, LLC					
2	<u>Facility Type</u>	<u>API</u>	<u>Facility ID</u>	<u>Location ID</u>	<u>Facility Name</u>	<u>QtrQtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
	LOCATION	-	313284	313284	SPARKS RIDGE UNIT-611N101W #5SWSW	SWSW	5	11N	101W
	<u>County</u>	<u>Min.Owner. Type</u>	<u>Current Operator Num</u>	<u>Current Operator Name</u>					
	MOFFAT		10683	HRM RESOURCES III, LLC					
3	<u>Facility Type</u>	<u>API</u>	<u>Facility ID</u>	<u>Location ID</u>	<u>Facility Name</u>	<u>QtrQtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
	LOCATION	-	313408	313408	SPARKS RIDGE UNIT-611N101W #7NENW	NENW	7	11N	101W
	<u>County</u>	<u>Min.Owner. Type</u>	<u>Current Operator Num</u>	<u>Current Operator Name</u>					
	MOFFAT		10683	HRM RESOURCES III, LLC					
4	<u>Facility Type</u>	<u>API</u>	<u>Facility ID</u>	<u>Location ID</u>	<u>Facility Name</u>	<u>QtrQtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
	WELL	081-07450	298146	313408	SPARKS RIDGE UNIT #2 H	NENW	7	11N	101W
	<u>County</u>	<u>Min.Owner. Type</u>	<u>Current Operator Num</u>	<u>Current Operator Name</u>					
	MOFFAT	FEDERAL	10683	HRM RESOURCES III, LLC					

Incidents Proposed for Transfer Summary

< No row provided >

Related Wells & Facilities Not Proposed for Transfer Summary

< No row provided >

Related Incidents Not Proposed for Transfer Summary

< No row provided >

Attachment List

Att Doc Num

Name

403097059	Form 09 SUBMITTED
403097077	EDD-I-WELLS-FACILITIES-PROPOSED
403097087	FORM 9 INTENT ATTESTATION

Total Attach: 3 Files

<u>COA Type</u>	<u>Description</u>
0 COA	

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Financial Assurance	Under the direction of Deputy Director Cuthbertson, the COA was removed for HRM Resources III LLC since the operator is defunct. WEXPRO Development Company accepted the COAs. Location 313111 and its corresponding well, 05-081-06924 were not included in the transfer and therefore orphaned.	04/26/2023
Financial Assurance	<p>I have reviewed the second Form 9 Transfer for the above captioned operators and have noted the following issues.</p> <p>Issue #1 - The Buyer Notified Local Govt. Attestation does not indicate the representative with Moffat County who was contacted.</p> <p>Solution #1 - Resubmit the Buyer Notified Local Govt. Attestation and add the county representative who was contacted at Moffat County.</p> <p>Issue #2 - There are Four Unaccounted for Related Incidents that will need to be accounted for.</p> <p>Field Inspection Report with Corrective Action</p> <p>#689801864</p> <p>#689801865</p> <p>#689806672</p> <p>#689806674</p> <p>Solution #2 - These corrective actions may or may not have been resolved. FIRs with outstanding corrective actions are transferable items that must be accounted for in the Form 9 in one or more of the following ways.</p> <p>1. If the compliance responsibility for such an FIR transfers to the buyer, include that FIR on a Related Incidents Transferred list.</p> <p>2. If the compliance responsibility for such an FIR is retained by the seller, include that FIR on a Related Incidents Not Transferred list and provide a Seller Retains Responsibility Attestation.</p> <p>If the parties perform the research and determine that all corrective actions for a particular FIR have been resolved, that FIR does not need to be listed on the Form 9 but will be subject to Rule 218. In addition, a Seller Retains Responsibility Attestation will need to be added to the Subsequent.</p> <p>Issue #3 – There are 2 Unaccounted For Related Facilities that will need to be accounted for in this transfer. They are as follows:</p> <p>Location #313284</p> <p>Location #313408</p> <p>Solution #3 – If the locations are to be transferred, please add them to the Wells and Facilities Transferred list. I have attached the original spreadsheet to this email.</p> <p>If the wells are to be retained by the seller, then they will need to be added to a Related Wells & Facilities – Not Transferred list. In addition, a Seller Retains Responsibility Attestation will need to be added to the Subsequent.</p> <p>Assuming the other Form 9 requirements are met, all Form 9s shall now be passed with the following two COAs:</p> <p>The Buying Operator must file a Form 3, Financial Assurance Plan, within 10 business days of Form 9 approval –OR– by the applicable deadline as described in the Notice to Operators, Delayed Deadline for Rule 702.b(1)A.i., whichever is later. Per Rule 702, Buyer will then provide any required additional financial assurance as soon as practicable</p>	12/15/2022

but no later than 90 days from the Commission's approval of the Form 3, Financial Assurance Plan.

The Selling Operator must file a Form 3, Financial Assurance Plan within 10 business days of Form 9 approval –OR– by the applicable deadline as described in the Notice to Operators, Delayed Deadline for Rule 702.b(1)A.i., whichever is later. Per Rule 702, Seller will then provide any required additional financial assurance as soon as practicable but no later than 90 days from the Commission's approval of the Form 3, Financial Assurance Plan. This would be required since there is one remaining well and location Evans 1 (API 081-06984 on location 313111)

Both operators will need to respond to this email accepting the Conditions of Approval.

Finally, all revised and/or new documents can be emailed to me and I will get them uploaded to the form.

Total: 2 comment(s)