

State of Colorado
Oil and Gas Conservation Commission

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



Document Number:

402998989

Receive Date:

03/30/2022

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: (081) 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: 03/25/2022

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: Ops Tech Date: 03/30/2022

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> |
| | LOCATION | - | 313010 | 313010 | G KUYKENDALL-612N100W #27NWNW | NWNW | 27 | 12N | 100W |
| | <u>County</u> | <u>Min.Owner. Type</u> | <u>Current Operator Num</u> | <u>Current Operator Name</u> | | | | | |
| | MOFFAT | | 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 | - | 313085 | 313085 | IRISH CREEK-612N99W #21NENW | NENW | 21 | 12N | 99W |
| | <u>County</u> | <u>Min.Owner. Type</u> | <u>Current Operator Num</u> | <u>Current Operator Name</u> | | | | | |
| | MOFFAT | | 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

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|---------------------------------|
| 402998989 | Form 09 SUBMITTED |
| 402999011 | FORM 9 INTENT ATTESTATION |
| 402999014 | EDD-I-WELLS-FACILITIES-PROPOSED |

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>In my original email dated 11/19/2022, we had the following issues to be resolved.</p> <p>I have reviewed the above mentioned form 9 transfer and have noted the following issues that will need to be resolved before approving the transfer.</p> <p>Issue 1: There are two Unaccounted Form Related Facilities that will need to be accounted for. Location #313010 API 081-06661 This well is Plugged and Abandoned but has not passed final reclamation. Location #313085 API 081-06924 This well is also Plugged and Abandoned but has not passed final reclamation.</p> <p>Solution 1: If the wells are to be transferred, then they will need to be added to the Wells and Facilities Transferred list. 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. In a follow up email Tammy, you indicated that the aforementioned wells would transfer over to WEXPRO. I indicated that they would need to be added to the Wells and Facilities Transferred list. I have attached your original spreadsheet that was uploaded to the Form 9. Also, there is a Pit Facility #286232 on Location #313001 that should be added to the transfer list. Once the corrections have been made to the spreadsheet, please email it back to me and I will get it uploaded to the form. If these items are not transferred, then they will need to be added to a Related Wells and Facilities - Not Transferred list as well as a Seller Retains Responsibility Attestation will be required.</p> <p>Issue 2: The Buyer Notified Local Govt. Attestation does not indicate the representative with Moffat County who was contacted.</p> <p>Solution 2: Resubmit the Buyer Notified Local Govt. Attestation and state the representative who was contacted with Moffat County. Received</p> <p>Issue 3: There are two Unaccounted for Related Incidents that will need to be accounted for. Unresolved NOAV #401781663 Resolved Field Inspection Report with Corrective Action #673400020 Solution 3: 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.</p> <p>If the Unresolved NOAV is to be transferred, the it will need to be added to a Related Incidents Transferred list.</p> <p>If the Unresolved NOAV is to be retained by the seller, then the incident will need to be added to a Related Incidents – 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</p> | 12/15/2022 |

| | | |
|---------------------|---|------------|
| | <p>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 but no later than 90 days from the Commission’s approval of the Form 3, Financial Assurance Plan.</p> <p>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.</p> <p>I am still waiting on the acceptance of the COA from Patrick/HRM.</p> <p>Both operators will need to respond to this email accepting the Conditions of Approval.</p> <p>Finally, all revised documents can be emailed to me and I will get them uploaded to the form.</p> <p>If you have already submitted a Form 3 Financial Assurance Plan, please use the following comment when you resubmit your Form 3.</p> <p>This Form 3 Document #____ is submitted as a result of an approved Form 9 Transfer of Operatorship and it replaces Form 3 document # _____.</p> | |
| Financial Assurance | <p>I have reviewed the above mentioned form 9 transfer and have noted the following issues that will need to be resolved before approving the transfer.</p> <p>Issue 1: There are two Unaccounted Form Related Facilities that will need to be accounted for. Location #313010 API 081-06661 This well is Plugged and Abandoned but has not passed final reclamation. Location #313085 API 081-06924 This well is also Plugged and Abandoned but has not passed final reclamation. Solution 1: If the wells are to be transferred, then they will need to be added to the Wells and Facilities Transferred list. 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>Issue 2: The Buyer Notified Local Govt. Attestation does not indicate the representative with Moffat County who was contacted. Solution 2: Resubmit the Buyer Notified Local Govt. Attestation and state the representative who was contacted with Moffat County.</p> <p>Issue 3: There are two Unaccounted for Related Incidents that will need to be accounted for. Unresolved NOAV #401781663 Field Inspection Report with Corrective Action #673400020 Solution 3: 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. 1. If the compliance responsibility for such an FIR transfers to the buyer include that FIR on a Related Incidents Transferred list. 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. 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. If the Unresolved NOAV is to be transferred, then it will need to be added to a Related Incidents Transferred list.</p> | 11/18/2022 |

If the Unresolved NOAV is to be retained by the seller, then the incident will need to be added to a Related Incidents – Not Transferred list. In addition, a Seller Retains Responsibility Attestation will need to be added to the Subsequent.

Assuming the other Form 9 requirements are met, all Form 9s shall now be passed with the following two COAs:

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 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.

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

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

Total: 3 comment(s)