



April 7, 2026

**RE: Statement of Exemption from Environmental Review**

Construction of Pacman Wellpad

Township 26N, Range 52E, Section 36

Richland County, MT

On April 7, 2026, The Department through its Minerals Management Bureau completed a letter of authorization to construct an oil and gas well pad on the referenced tract for the drilling, completion and production of the Pacman wells. The letter was issued to Morningstar Operating, LLC and is attached to this statement of exemption. The issuance of the letter satisfies the trust lands statement of policy in Montana Code Annotated 77-1-601. Upon reclamation of the area, the site will be planted by operator with native vegetation and return to its pre-existing agriculture use. This accounts for and protects the long-term income generating capacity of the land.

The Department is exempt from performing an environmental review for this action as described under MCA 77-1-121 (2). The letter and the State of Montana oil and gas lease expressly state that the action is subject to further permitting and review under the provisions of Title 75 or 82, Montana Code Annotated.

Morningstar Operating must apply for and obtain a permit to drill from the Montana Board of Oil and Gas Conservation (BOGC) prior to conducting drilling operations within the permitted area. The BOGC will perform an environmental review consistent with the requirements of Montana Environmental Policy Act and the environmental laws and regulations of the State.

Sincerely,

A handwritten signature in black ink that reads "Zack Winfield". The signature is written in a cursive style.

Zack Winfield, PE

Petroleum Engineer

MMB-FTLD-DNRC

**COPY:** Scott Aye, Range Management Specialist, ELO FTLD; Trevor Taylor, MMB Chief, FTLD; Kelly Bertellotti, MRS, FTLD.





April 7th, 2026

Morningstar Operating LLC

400 W. 7<sup>th</sup> Street

Fort Worth, TX 76102

Delivered via Email only to Dave Harford: dharford@txopartners.com

**RE: Letter of Authorization to Build Surface Location – Pacman wells**

Township 26N, Range 52E, Section 36

Richland County, MT

Dave,

This letter shall serve as authorization to construct the well pad location and drill the Pac Man 36-12-1H and 2H wells as described within the application for permit to drill submitted by Morningstar operating to the Montana Board of Oil and Gas. This letter does not authorize the drilling of a saltwater disposal well or the use of unconventional gas capture technology such as bitcoin mining or AI generators upon the pad. These activities must be authorized under a separate license.

The DNRC trust lands staff archeologist has reviewed the site for potential impacts to historical and archeological resources. The site does contain a registered site. However, the area to be impacted by the pad location will not effect the cultural resources on the tract. A map has been attached to this letter of authorization which shows an area of avoidance. Currently, the pad is not proposed to be constructed within this area, but if plans change, Morningstar shall communicate those changes to the Department.

This proposal is subject to further permitting under title 75 or 82 of Montana Code Annotated. Therefore, the DNRC is exempt from environmental review for this action. Attached to this letter of authorization are conditions of approval. These conditions must be followed by Morningstar during the construction of the pad. If you have any additional questions. Please feel free to call me, 406-444-9518.

Sincerely,

Zack Winfield, PE

Petroleum Engineer, MMB-FTLD-DNRC.



### Conditions of Approval

- All topsoil, overburden, and substrate displaced by construction activities, must remain in the immediate vicinity of the pad or road and saved for reclamation. The removal of any aggregate material from trust lands is not authorized under this approval. Berms shall be seeded with a prescribed seed mix from the Eastern Land Office to mitigate erosion impacts.
- The licensee shall construct the pad and road surface with scoria or other comparable material on top of the existing soils to avoid rutting.
- Any pad area that is utilized for the drilling of the wells that is unnecessary to produce the wells shall be diligently reclaimed by the licensee.
- The pad area shall be fenced by the licensee to keep livestock from entering the pad area.
- Topsoil must be stored separately from all other forms of substrate.
- If gasoline, oil or other forms of hazardous liquids are stored on site, they must be contained within primary and secondary containment, in which the secondary containment is able to contain the entire volume of the hazardous liquid. For example, oil tanks must have containment berms surrounding the facilities that are able to accommodate all oil volume from the tanks. This is consistent with Board of Oil and Gas Rule.
- All equipment utilized in construction and drilling activities must be regularly maintained and inspected to ensure it is not leaking fluids, spreading noxious weeds, creating an undue fire hazard or threatening the life or property of others.
- The licensee shall be responsible for controlling any noxious weeds or spread from the construction and use of the pad.
- The licensee shall negotiate a surface damages settlement with the surface lessee in accordance with ARM 36.25.138
- If previously unknown cultural or paleontological materials are identified during project related activities, all work will cease until a professional assessment of such resources can be made.
- There are cultural resources within the vicinity of the project area. A map shall be provided to the licensee and understood prior to ground disturbance. The archeological sites shall be avoided during pad and road construction and if they cannot be avoided, the licensee shall promptly notify the Department and coordinate further.
- Construction of the road and well pad is permitted during daylight hours only.



