



Dan Bucks
Director

Montana Department of Revenue



Brian Schweitzer
Governor

November 29, 2007

Northwest Farm Credit Services
PO Box 2515
Spokane WA 99220-2515

RECEIVED

DEC 03 2007

MINERAL OPERATIONS

Subject: Tax: Mineral Withholding
Period: 30-Apr-2007
Federal ID:

Thank you for your letter requesting an exemption from the Mineral Royalty Withholding Tax requirements.

The exemption was granted because the royalty owner met the following qualification:

- Publicly Traded Partnership:** MCA §15-30-264(1)(d) states that the Mineral Royalty Backup Withholding Act does not apply to royalty payments made to the royalty owner if the royalty owner is a Publicly Traded Partnership. The publicly traded partnership has, as required, reported to the remitter and the department all information necessary to establish that the remitter is not required under MCA §15-30-263 to withhold royalty payments made to the partnership.
- Tax Exempt Organization:** MCA §15-30-264(1)(e) states that the Mineral Royalty Backup Withholding Act does not apply to royalty payments made to the royalty owner if the royalty owner is an organization that is exempt from taxation under MCA §15-31-102. The tax exempt organization has, as required, reported to the remitter and the department all information necessary to establish that the remitter is not required under MCA §15-30-263 to withhold royalty payments made to the organization.

The undersigned, acting on behalf the department, is satisfied from available evidence that tax should not be withheld from royalty payments made to the aforementioned royalty owner. This election does not need to be repeated annually unless requested by the department.

Sincerely,

Larry Sullivan
Unit Manager, Income and Withholding Taxes
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cc: Croft Petroleum- Revenue Department