



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

INSTRUCTIONS FOR CASH/CASHIERS CHECK PLACED WITH THE COMMISSION AS FINANCIAL ASSURANCE

A certified check or cashier's check is an accepted form of financial assurance for compliance to Colorado Oil & Gas Conservation Commission 700 Series of the Rules. Financial assurance is required in order to ensure that funds are available to cover the costs of plugging and abandonment of wells and associated facilities operated in the State of Colorado by the Operator/Depositor upon failure by the operator to perform.

1. Certified and Cashier's checks should be made payable to the Colorado Oil & Gas Conservation Commission.
2. **Complete and attach a Form 3 Performance Bond providing detailed information identifying well or facility that are to be covered by the financial assurance submitted. In the line provided for a Bond No# type in cash, and acknowledge that this is a perpetual instrument which shall remain in force and effect until all obligations have been met and the financial assurance is released by COGCC. All data field should be completed except for surety company information.**
3. **Provide a completed and signed Form W-9.**
4. Submitted funds will be processed and posted to the Commission website upon approval.
5. Submitted funds will be posted under the operator name and number, and deposited with the State Treasury for safekeeping.
6. Financial assurance placed with the Commission will remain on an **automatically renewing term**.
7. **Interest accrues on the deposited funds and belongs to the Operator/Company.** The interest rate is generally comparable to market rates and fluctuates with same. The interest is not disbursed, but rather is maintained with the original principal amount of the financial assurance. Interest is disbursed to the operator/depositor at the time of the bond release. (Form W-9 is required for release.)
8. **In the case of forfeiture, the COGCC will claim both the principal and accrued interest per the COGCC Policy for Financial Assurance Forfeiture (revised August, 2014).**

Should you have any questions regarding financial assurance, please contact Martha Ramos, Financial Assurance Supervisor at 303-894-2100 ext. 5123, or Deborah Lutz, Financial Assurance Analyst at 303-894-2100 ext. 5185.

Revised 8/2014

