



## NOTICE TO OPERATORS

### Delayed Deadline for Rule 702.b.(1)A.i.

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#### Document Change Log

| Change Date | Description of Changes                       |
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| 6/15/2022   | Issued                                       |
| 9/30/2022   | Updated to extend and include 702.b.(1)A.iii |

This Notice to Operators (“NTO”) informs all operators of a change to the procedure for submittal of Financial Assurance Plans pursuant to Rule 702.b.(1)A.i., ii., and iii.

Effective April 30, 2022, the Colorado Oil and Gas Conservation Commission (“Commission” or “COGCC”) significantly revised its financial assurance rules to comply with the amendments to the Oil and Gas Conservation Act (“Act”) made by Senate Bill 19-181 (“FA Rules”). The new FA Rules required operators to submit Financial Assurance Plans demonstrating “how the Operator is financially capable of fulfilling its obligations under the Act and the Commission’s Rules.”

Rule 702.b. Operators are required to submit Financial Assurance Plans (Plans) on a Form 3 to be created by COGCC Staff.

Rule 702.b.(1)A. sets deadlines for operators to submit their initial Financial Assurance Plans. Under Rule 702.b.(1)A.i., operators with 50 or more wells will submit their initial Plans by July 1, 2022. Rule 702.b.(1)A.ii requires operators with more than 10 but fewer than 50 wells to submit their Plan by October 10, 2022. Operators subject to Rule Rule 702.b.(1)A.iii will submit their plans by December 31, 2022.

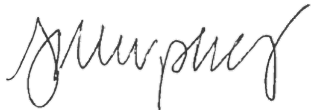
At the June 15, 2022 Commission hearing, COGCC Staff informed the Commission that, due to unforeseen and unavoidable circumstances, the Form 3 would not be ready by the July 1, 2022 deadline. Operators with 50 or more wells will therefore not be able to comply with Rule 702.b.(1)A.i.

Staff subsequently informed the Commission at its September 7 hearing that additional time was needed to complete the Form 3 and the deadline for submission should be moved to October.

Since Staff’s briefings to the Commission on June 15, and September 7, considerable work and development on the Form 3 has occurred. Staff issued the Form 3 on September 30, 2022. To ensure that operators have sufficient time to review and complete the Form 3, the Director issues this updated NTO with the following terms:

1. The Director will not pursue an enforcement action against any operator for failure to file a Financial Assurance Plan required by Rule 702.b.(1)A.i by July 1, 2022, Rule 702.b.(1)A.ii by October 1, 2022, or Rule 702.b.(1)A.iii by December 31, 2022.
2. Operators will not submit a Financial Assurance Plan unless it is submitted on a Form 3.
3. Any Financial Assurance Plan submitted on a Form 3 that was initially due on July 1, 2022 pursuant to Rule 702.b.(1)A.i. that is received on or before November 1, 2022, will be administratively deemed to have been submitted on July 1, 2022.

4. Any Financial Assurance Plan submitted on a Form 3 that was initially due on October 1, 2022 pursuant to Rule 702.b.(1)A.ii. that is received on or before December 1, 2022, will be administratively deemed to have been submitted on October 1, 2022.
5. Any Financial Assurance Plan submitted on a Form 3 that was initially due on December 31, 2022 pursuant to Rule 702.b.(1)A.iii. that is received by February 1, 2023, will be administratively deemed to have been submitted on December 31, 2022.
6. This NTO does not absolve operators of their responsibility to file complete Financial Assurance Plans that comply with Commission Rules.



Julie Murphy, Director