



NOTICE TO OPERATORS

Federal Financial Assurance Information

Document Change Log

Date	Description
10/13/2023	Issued

This Notice to Operators (“NTO”) informs all operators of a change to the procedure for evaluating Financial Assurance Plans in regard to an Operator’s federal assurance. Pursuant to Rule 702.a., the exception for wells for which the “Operator demonstrates that it has already provided or will provide Financial Assurance ... to the federal government” expires October 15, 2023.

The Form 3, Financial Assurance Plan, has been and will continue to be used to evaluate an Operator’s financial assurance required to meet Rules 703, 704, and 707 as well as Rule 702 for all non-federal wells.

Form 3B was previously relied upon to identify an Operator’s federal wells. Effective immediately and until such time as ECMC is able to digitally integrate federal and ECMC financial assurance data, the Form 3B will also be used to evaluate the amount of financial assurance an Operator has provided to the Federal government. This will be accomplished as follows:

1. No later than October 31, 2023, an Operator with federal wells must submit, if they have not already done so, a Form 3B showing the amount of financial assurance they have provided to the federal government. This information was previously collected as “optional” information on the Form 3B and some Operators did not provide the information in their previously submitted Form 3B.
2. No later than November 15, 2023, all Operators with federal wells must submit, by U.S. Mail, copies of documentation that validates the amount of federal financial assurance reported on the Form 3B. The information must include a cover letter or other written explanation of how or to what degree the federal financial assurance meets or exceeds the required Rule 702 assurance. This information must be emailed to:

corinna.lyon@state.co.us

ECMC will evaluate the information and contact Operators it believes are required to submit additional Rule 702 assurance for the affected federal wells.

Julie Murphy, Director