

Implementation of New Financial Assurance Rules Revised Form 2

June 2, 2022

Revised Form 2 Release Details

1. Old FA Rules Version is 7.0
2. New FA Rules Version is 8.0
3. Upon Release:
 - a. New Form created - New Version
 - b. Form in Draft - converted to New Version
 - c. Form In Process or On Hold:
 - Submitted before April 30, 2022 – remain as Old Version
 - Submitted on or after April 30, 2022 - converted to New Version
 - d. Form returned to Draft - converted to New Version

The screenshot displays the COGCC (Colorado Oil & Gas Conservation Commission) web application interface. At the top, there is a blue header with the COGCC logo. Below the header, a white box contains the following information: **Ver:** 8 (highlighted with a red circle), **Form:** 02, **Operator:** COLORADO OIL & GAS CONSERVATION COMMISSION, and **Created:** 5/17/2022 4:20:57 PM. Below this information, there are several tabs for navigation: **Well Name & Contact Info**, **Well Location**, **Local Government**, **Surface & M**, **Operator BMP/COA**, **Submit**, **Related Forms**, **Attachments**, and **Review***. The main content area is titled **WELL INFORMATION** and contains two dropdown menus: **Application for permit to:** DRILL and **Amend:** NO. Below these, there is another dropdown menu: **Type of Well:** OIL.

About Surety ID Numbers

1. Some existing Surety ID Numbers may not change, others may change.
2. The approval of a Form 3A and the associated Financial Assurance will assign new Surety ID Numbers.
3. The workflow for the Financial Assurance Plan Form 3, the Form 2 for a Well, and the Form 3A (with the FA) will vary.
4. In some cases a Surety ID Number will not be available at the time the Form 2 is submitted, or reviewed, or approved.
5. A Surety ID Number will not be required on a Form 2 if it is not available.

Federal Well

A Well for which the Operator has provided or will provide Financial Assurance (FA) to the federal government.

Federal Financial Assurance Exception* (Rule 702.a.)

1. A Well is not subject to Rule 702 if the Operator demonstrates it has provided or will provide Financial Assurance to the federal government at the time it files a Form 2 for the Well.
2. "Operator demonstrates" by:
 - a. Checking the "Operator certifies" box on the Form 2
 - b. Entering the amount of Federal FA on the Form 2
3. Amount of Federal FA:
 - a. If the federal bond covers more than one Well (i.e. within a lease or unit) enter the amount apportioned to the Well.
 - b. If the federal bond is a blanket bond (i.e. statewide or nationwide) enter the amount apportioned to the Well.
 - c. If the Well is covered by multiple federal bonds, enter the sum total of federal FA that applies to the Well.

* The exception will end no later than October 15, 2023.

Well Name & Contact Info Tab

Old

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID:

NEW

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

New COGCC Financial Assurance checkbox.

The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable):

Federal Financial Assurance

In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$

New Federal Financial Assurance checkbox and amount.

NOTE: The amount of Federal Financial Assurance is required if the Federal Financial Assurance box is checked.

Surface & Minerals Tab

NEW

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location:

FEE



Mineral Owner beneath this Well's Oil and Gas Location:

FEE



Surface Owner Protection Bond (if applicable):

N/A



Surety ID Number (if applicable):

\$4,000

\$10,000

Blanket

New Bond Amount Selections