

Implementation of New Financial Assurance Rules Revised Form 2A

June 2, 2022

Revised Form 2A Release Details

1. Old FA Rules Version is 11.0
2. New FA Rules Version is 12.0
3. Upon Release:
 - a. New Form created - New Version
 - b. Form in Draft - converted to New Version
 - c. Form in Completeness or 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 web interface. At the top, there is a blue header with a home icon and the text "COGCC". Below the header, a light gray box contains the following information: "Ver: 12" (highlighted with a green box), "Form: 02A", "Operator: COLORADO OIL & GAS CONSERVATION COMMISSION", and "Created: 5/17/2022 10:39:22 AM". Below this box, there are several tabs: "Consultation & Contact Info" (selected), "Location ID& Local Govt Info", "Alternative Locat", "Land Use & Soils", "Water Resources", "Wildlife Resources", and "CDPHE Consu". Below the tabs, there are two links: "COGCC COAs & Comments*" and "Status & NTOs*". At the bottom, there is a light blue box containing two checkboxes: "New Location" and "Refile", separated by "Or". Below these checkboxes is the text "If this Location assessment is a component of an Oil and Gas Development Plan (OG)". At the bottom right, there are two buttons: a blue "Add" button and a red "Remo" button.

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 2A for a Location, 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 2A is submitted, or reviewed, or approved.
5. A Surety ID Number will not be required on a Form 2A 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 an Oil and Gas Development Plan.
2. “Operator demonstrates” by:
 - a. Checking the “Operator certifies” box on the Form 2A
 - b. Entering the amount of Federal FA on the Form 2A
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 federal Well or Wells on this Location.
 - b. If the federal bond is a blanket bond (i.e. statewide or nationwide) enter the amount apportioned to the federal Well or Wells on this Location.
 - c. If the federal Well or Wells on this Location are covered by multiple federal bonds, enter the sum total of federal FA that applies to the federal Well or Wells on this Location.

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

Consultation & Contact Info Tab

Old

FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID(Rule 706): Gas Facility Surety ID(Rule 711):
- Waste Management Surety ID(Rule 704):

NEW

FINANCIAL ASSURANCE FOR THIS LOCATION (check all that apply)

- Plugging, Abandonment, and Reclamation
- Centralized E&P Waste Management Facility
- Gas Gathering, Gas Processing, and Underground Gas Storage Facilities
- Surface Owner Protection Bond.

New

Updated Names

Federal Financial Assurance

New Federal Financial Assurance checkbox and amount.

- 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 one or more Wells on this Location.

Amount of Federal Financial Assurance \$

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