

Form 3, Financial Assurance Plan

Operator Meeting

August 30, 2022



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

COGCC Staff

Form 3, Financial Assurance Plan

➤ **NEW** eForms

Quick Links

- COGIS Database
- Webforms (Google Chrome)
- **NEW** eForms (Google Chrome)
(Forms 1B, 1C, 3B, & 8)
- CORA / Media
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Start a New Form

Search...

Form Number	Form Name	Action
1B	Annual Registration	FILE ONLINE
1C	Consolidation of Related Operators	FILE ONLINE
3	Financial Assurance Plan	FILE ONLINE
3B	Federal Financial Assurance Wells	FILE ONLINE
8	OIL AND GAS CONSERVATION LEVY	FILE ONLINE

Select



FILE ONLINE

Form 3, Financial Assurance Plan


These sections will be available when an option is selected in the Plan Options section.

Operator Information
Well Data
FA Types & Bond Riders
Plan Options
Financial Assurance for Wells
Other Financial Assurance
Operator's Financial Assurance Summary
Attachments
Signature and Certification

Operator Information
Well Data
FA Types & Bond Riders
Plan Options
Financial Assurance for Wells Option 1
Other Financial Assurance
Operator's Financial Assurance Summary
Attachments
Signature and Certification

Plan Options

Operator is eligible for the Financial Assu

 Option 1

Option 2

Option 3

Option 4

Option 5

Option 6



OPERATOR INFORMATION SECTION (Slide 1 of 3)

Operator Information

Type of Plan

Initial Plan Revised - Annual Review Revised - Change in Circumstance
 Revised - Proposed Transfer of Ownership Revised - Transfer of Ownership

Operator Information

Number:

Name:

Address:

City: State: Zip:

Contact Information

First Name:

Last Name:

Phone:

Email:

Type of Plan: "Initial" will be autopopulated on all forms for now. (Revised forms will be developed later.)

Autopopulated
Unshaded can be edited



OPERATOR INFORMATION SECTION (Slide 2 of 3)

Hearing Application Information

Docket Number of concurrent application for a Financial Assurance hearing (if applicable):

Operator enters Docket Number if a hearing is required. (See Rule 702.b.(1) & (2).)

Commission Order to Approve this Plan (if applicable):

Staff enters Commission Order Number if a hearing is held.

Related Operators Consolidation

COGCC Operator	Subsidiary Operator
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	10605 - APEX OIL VENTURES INC
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	10464 - CATAMOUNT ENERGY PARTNERS LLC
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	69175 - PDC ENERGY INC
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	10312 - PROSPECT ENERGY LLC
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	96730 - WILLIFORD ENERGY COMPANY
5 - COLORADO OIL & GAS CONSERVATION COMMISSION	10000 - BP AMERICA PRODUCTION COMPANY

1. Parent Operator Files the Form 3.
2. Subsidiary Operators are autopopulated.
3. Production, Wells, and Facilities of Subsidiary Operators will be combined in the plan.
4. The list of Subsidiary Operators cannot be edited on the Form 3.
5. A new Form 1C, Consolidation of Related Operators must be filed to add or remove a Subsidiary Operator prior to submitting the Form 3.

Revised Plan

Provide a brief description of the revisions to the existing Financial Assurance Plan.

Grayed out for an Initial Form 3. Only available for a revised Form 3.



OPERATOR INFORMATION SECTION (Slide 3 of 3)

Transfer of Ownership

Is the Operator filing this Form 3 the Selling or Buying Operator?

Grayed out for an Initial Form 3.
Only available for a revised Form 3 associated with a transfer of operatorship.

Production Data & Plan Option

Production Data - Previous 12 Months

Operator's Total Oil Production:

 Barrels

Operator's Total Gas Production:

 MCF

Operator's Aggregate GOR:

 Scf/Bbl

Operator's GOR Determination:

Operator's Average Daily Per-Well Production

 BOE

TEST DATA

Autopopulated

Determines Operator's Plan Options

Operator's Financial Assurance Plan Option:

Is the Operator a public company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, 15 U.S.C. § 78a, et seq.?

Yes or No required.
(See Rule 702.c.(6).)

Operator's Current Approved Financial Assurance Plan Option (if applicable):

Grayed out for an Initial Form 3.
Autopopulated for a revised Form 3.



WELL DATA SECTION (Slide 1 of 6)

Well Data

Well Data

NOTE: Rule 702 does not apply to Wells covered by federal financial assurance.

Well Status Data

Status	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Active	10	0	0	10
Active Permit	185	0	0	185
Domestic	0	0	0	0
Drilling	176	0	0	176
Injecting	17	0	0	17
Producing	2073	0	0	2073
Shut In	536	0	0	536
Suspended Operations	0	0	0	0
Temporarily Abandoned	79	0	0	79
Waiting on Completion	16	0	0	16
TOTALS	3092	0	0	3092

From the Form 3B, Federal Financial Assurance Wells

TEST DATA

Autopopulated



WELL DATA SECTION (Slide 2 of 6)

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	9	3	3	4
Noticed Inactive	4	3	1	2
Inactive Exception	19	9	3	3
Out of Service	18	5	2	8
Out of Service Repurposed	4	6	2	8
Low Producing	14	9	2	9

TEST DATA

Autopopulated

[VIEW WELL DATA](#)



WELL DATA SECTION (Slide 3 of 6)



VIEW WELL DATA

Autopopulated

Well List ×

Filter × 10 per page 3135 records

Filter × Filter × Filter × Filter × Filter × Filter × Filter

API Number ^	Well Name ^	Well Num ^	With FFA ^	Tribal Well ^	Subject to Rule 702 ^	Well Status ^	Well Designation
05-123-40098	TARIN FEDERAL	32X-334			X	PRODUCING	Producing
05-123-40109	Becker Ranch	5M-203			X	PRODUCING	Shut In
05-123-40110	SRC Wind	M-17N-A			X	PRODUCING	Producing
05-123-40111	SRC Wind	E-17N-C			X	PRODUCING	Producing
05-123-40112	SRC Wind	21-17C			X	PRODUCING	Producing
05-123-40113	SRC Wind	A-17N-C			X	PRODUCING	Producing
05-123-40114	SRC Wind	A-17NHZ			X	PRODUCING	Producing
05-123-40115	SRC Wind	21-17N-C			X	PRODUCING	Producing
05-123-40116	SRC Wind	11-17C			X	PRODUCING	Producing
05-123-40117	Becker Ranch	5U-243			X	PRODUCING	Producing

First < 1 2 3 4 5 ... > Last

TEST DATA

WELL DATA SECTION (Slide 4 of 6)

Inactive Well List

Number of Inactive Wells:

328

Federal Wells are included; Tribal Wells are excluded.

VIEW/MODIFY INACTIVE WELL LIST

Opens the Well List

Autopopulated

View/Modify Inactive Well List

Operator completes these 3 columns.
(See Rules 702.d. (1) - (6).A.iv.)

API Number	Well Name	Well Number	Status	Reason for No Production	Planned Return to Production Date	Planned Plugging Date
05-123-21773	ECKHARDT	44-34	TA		M/d/yyyy	M/d/yyyy
05-123-21769	LOUSTALET	24-25	SI		M/d/yyyy	M/d/yyyy
05-123-21785	LOHR	32-13	TA		M/d/yyyy	M/d/yyyy

TEST DATA



WELL DATA SECTION - Inactive Well List (Support 1 of 2)

COGIS - Facility Inquiry

Run a search for all your Defined Inactive Wells.

Enter search criteria:

Facility Type:

Reset

WELL
LOCATION

CENTRAL DELIVERY POINT
CENTRALIZED EP WASTE MGMT FAC
CRUDE OIL TRANSFER LINE

County:

Reset

ADAMS
ALAMOSA
ARAPAHOE
ARCHULETA
BACA
BENT

Facility Status:

Reset

AB - ABANDONED WELLBORE/COMPLETION
AC - ACTIVE
AL - ABANDONED LOCATION
AP - ACTIVE PERMIT
CL - CLOSED
CM - COMMINGLED

Well Designation:

Reset

Defined Inactive
Noticed Inactive
Inactive Exception
Low Producing
Out of Service
Out of Service Repurposed
Reported Plugged

Wells with Federal Financial Assurance and Tribal Wells:

Reset

Wells with Federal Financial Assurance
Tribal Wells

You can make multiple selections by holding down the Ctrl key while clicking.

Select county here if you are NOT using API codes.

Enter the first few letters of the municipality in the field below that you wish to select and then **click ENTER**. This will generate your selection list.

Municipality:

Well API Number: County Code: Sequence Code:

Operator: Name or Operator Number

Facility/Location: Name or Facility ID

Location: Qtrqtr Sec Twp Range

Field: Name or Number

Limit Records: **10,000 Records** Caution: COGIS contains hundreds of thousands of facility records!

Submit

Reset

Parent Operators: Run searches for all your Consolidated Subsidiary Operators.



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WELL DATA SECTION - Inactive Well List (Support 2 of 2)

COGIS - Facility Inquiry

You requested facilities by:	WELL
Operator name:	100322
Well Designation:	Defined Inactive
Maximum records are limited to:	10000
For detail information:	Click On facility type.

TEST DATA

[Export to Excel](#) [Another Search](#)

Facility Type	Facility ID/ API	Facility Name/ Number	Operator Name/ Number	Status	Field Name/ Number	Location	Location ID	Related Facilities	Defined Inactive	Inactive Definition
WELL	05-123-08083	JOHN CUYKENDALL UNIT 2	NOBLE ENERGY INC 100322	SI 9/1/2020	WATTENBERG 90750	WELD 123 NWNW 18 2N63W 6	317977		Y 08/15/2018	SI

Create a spreadsheet to prepare the response data needed to fill in the form.
Parent Operators: Include all your Consolidated Subsidiary Operators.



WELL DATA SECTION (Slide 5 of 6)

Well Plugging Data for Previous 3 Years

Federal and Tribal wells are included.

Current Year	2022	Number of Wells Plugged:	0
Previous Year	2021	Number of Wells Plugged:	0
Previous Year	2020	Number of Wells Plugged:	0
Previous Year	2019	Number of Wells Plugged:	240

TEST DATA

Autopopulated

Required as text or as an attachment.
(See Rules 702.d. (1) - (6).A.v.)

Asset Retirement Planning

Describe how the Operator is planning for the retirement of its Oil and Gas Operations based on the projected life of the field, age of the infrastructure, Out of Service, Inactive, and Low Producing Wells, and related information.

NOTE: If this space is not adequate, please provide this information in an attachment.

If this information qualifies for confidentiality, provide as an attachment and enter
“Confidential. See redacted Asset Retirement Planning document attached.”



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WELL DATA SECTION (Slide 6 of 6)

Plugged Wells Have Not Passed Final Reclamation

	Have Not Passed Final Reclamation	Were Covered by Financial Assurance in Previous FA Plan
Reported Plugged (RP) Wells:	<input type="text"/>	<input type="text"/>
Dry & Abandoned (DA) Wells:	<input type="text"/>	<input type="text"/>
Plugged & Abandoned Wells:	<input type="text"/>	<input type="text"/>
TOTAL:	<input type="text"/>	<input type="text"/>

Autopopulated

Wells that have been plugged (DA, PA, or RP) are not included in the Financial Assurance Plan calculations. This data shows Wells that have been plugged but not fully reclaimed.

[VIEW PLUGGED WELLS NOT PASSED FINAL RECLAMATION LIST](#)

Review autopopulated list to evaluate individual Wells.



FA TYPES & BOND RIDERS SECTION (Slide 1 of 1)

FA Types & Bond Riders

Required.
(See Rules 702.d.(1), (2), (5), (6).C. and Rules 702.d.(3) & (4).D.)

FINANCIAL ASSURANCE TYPE

Types of Financial Assurance the Operator intends to provide. (Check all that apply.)

Preferred Types of Financial Assurance

- Cash Bond
- Surety Bond

Alternative Types of Financial Assurance

- Escrow Account
- Letter of Credit
- Lien
- Security Interest
- Self-Bond
- Sinking Fund
- Third-Party Trust Fund
- Other

NOTE: Per Rule 701.b., Alternative Types of Financial Assurance require the Commission's approval at a hearing.

Bond Riders

Is Operator's financial assurance partially or entirely provided through one or more bond riders?

Required.
(See Rule 701.d.)

If "YES", describe all riders and address the liability posed by the riders below:



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PLAN OPTIONS SECTION (Slide 1 of 1)

Plan Options

Operator is eligible for the Financial Assurance Plan Options populated below Select one Option to proceed:

<input type="radio"/> Option 1	\$ 17,778,000.00
<input type="radio"/> Option 2	\$ 0.00
<input type="radio"/> Option 3	\$ 0.00
<input type="radio"/> Option 4	\$ 0.00
<input type="radio"/> Option 5	Complete Option 5 Tab
<input type="radio"/> Option 6	\$ 40,000.00

Every operator can select Option 5.

TEST DATA

The amount of Financial Assurance will be autopopulated for the Operator's options.



OPTION 1 & 2 SECTIONS (Slide 1 of 4)

Financial Assurance for Wells Option 1

Option 1 - Financial Assurance for Wells

Total Number of Wells

3074

Federal and Tribal Wells are included.

Autopopulated

10% of Total Wells:

307

Rule 702.d.(1) & (2).B.ii.aa.

Note: Federal and Tribal Wells are not included below.

Per-Well Blanket Financial Assurance for Wells (excluding Out of Service Wells)

Number of Non-Low Producing Wells Covered by Per-Well Blanket

2699

VIEW NON-LOW PRODUCING WELLS COVERED BY PER-WELL BLANKET

Number of Low Producing Wells Covered by Per-Well Blanket

307

VIEW LOW PRODUCING WELLS COVERED BY PER-WELL BLANKET

Total Number of Wells:

3006

Amount per Well:

\$ 3,000.00

Rule 702.d.(1).B.i.

Amount of Per-Well Blanket Financial Assurance:

\$ 9,018,000.00

Auto-calculated.

TEST DATA

Financial Assurance for Wells Option 2

Option 2 - Financial Assurance for Wells

Total Number of Wells

3074

5% of Total Wells:

153

Review autopopulated list to see individual Wells.

Wells under the % threshold. Wells with the highest SWFA.



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OPTION 1 & 2 SECTIONS (Slide 2 of 4)

Operator's Demonstrated Costs

Supporting Evidence for these costs must be attached.

P&A Costs \$

TVD <= 4,000 ft:

\$

TVD > 4,000 & <= 8,000 ft:

\$

TVD > 8,000 ft:

\$

Location Reclamation Cost:

\$

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA).

Required Attachment:
Supporting Evidence for
Demonstrated Costs
May qualify for confidentiality.

Well plugging costs by
TVD at total depth.

All 4 values are required
if Operator chooses to
use their Demonstrated
Costs for SWFA.
(See 100 Series
Definition of Single Well
Financial Assurance.)



OPTION 1 & 2 SECTIONS (Slide 3 of 4)

Single Well Financial Assurance (SWFA) for Low Producing Wells

Number of Low Producing Wells with SWFA

68

[VIEW LOW PRODUCING WELLS WITH SWFA](#)

Wells over the % threshold.
Wells with the lowest SWFA.

Amount of SWFA for Low Producing Wells:

\$ 8,760,000.00

Auto-calculated.

Amount of SWFA for Low Producing Wells
using Operator's Demonstrated Costs:

\$ 0.00

Auto-calculated if Operator's Demonstrated Costs are
entered above.

TEST DATA

Single Well Financial Assurance (SWFA) for Out of Service Wells

May be required in the future per Rule 434.d.(8).B.ii.

Number of Out of Service Wells with SWFA

0

[VIEW OUT OF SERVICE WELLS WITH SWFA](#)

Amount of SWFA for Out of Service Wells:

\$ 0.00

Amount of SWFA for Out of Service Wells
using Operator's Demonstrated Costs:

\$ 0.00



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OPTION 1 & 2 SECTIONS (Slide 4 of 4)

Other Financial Assurance for Out of Service Wells

May be required in the future per Rule 434.d.(8).B.i.

Number of Out of Service Wells with Other Financial Assurance

0

[VIEW OUT OF SERVICE WELLS WITH OTHER FINANCIAL ASSURANCE](#)

Amount of Other Financial Assurance for Out of Service Wells:

\$ 0.00

Total Financial Assurance for Wells:

\$ 17,778,000.00

TEST DATA

Auto-calculated.

Certification of Financial Capability

An Operator will provide a Certification of Financial Capability signed by an Operator's corporate officer to ensure it is financially capable of meeting all of the obligations imposed by the Act and Commission's Rules.

**Required Attachment:
Certification of Financial Capability
Will not be confidential.**



OPTION 3 & 4 SECTION (Slide 1 of 3)

Financial Assurance for Wells Option 3

Option 3 - Financial Assurance for Wells

NOTE: Federal and Tribal Wells are not included.

Operator's Demonstrated Costs

Supporting Evidence for these costs must be attached.

P&A Costs \$

TVD <= 4,000 ft:

\$

TVD > 4,000 & <= 8,000 ft:

\$

TVD > 8,000 ft:

\$

Location Reclamation Cost:

\$

Well plugging costs by TVD at total depth.

Required Attachment:
Supporting Evidence for Demonstrated Costs
May qualify for confidentiality.

All 4 values required if Operator chooses to use their Demonstrated Costs for SWFA.
(See 100 Series Definition of Single Well Financial Assurance.)

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA).

Single Well Financial Assurance (SWFA) for All Wells

Number of Wells with SWFA

3074

VIEW WELLS WITH SWFA

Amount of SWFA for Wells:

\$ 394,670,000.00

Auto-calculated.

Amount of SWFA using Operator's Demonstrated Costs:

\$ 0.00

TEST DATA

OPTION 3 & 4 SECTION (Slide 2 of 3)

Other Financial Assurance for Low Producing Wells

See Rule 702.d.(3) & (4).B.i.

Number of Transferred Low Producing Wells with Other Financial Assurance

0

VIEW TRANSFERRED LOW PRODUCING WELLS WITH OTHER FINANCIAL ASSURANCE

Amount of Other Financial Assurance for Transferred Low Producing Wells:

\$ 0.00

Other Financial Assurance for Out of Service Wells

May be required in the future per Rule 434.d.(8).B.i.

Number of Out of Service Wells with Other Financial Assurance

0

VIEW OUT OF SERVICE WELLS WITH OTHER FINANCIAL ASSURANCE

Amount of Other Financial Assurance for Out of Service Wells:

\$ 0.00



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OPTION 3 & 4 SECTION (Slide 3 of 3)

Time to Submit Contributed Financial Assurance

The presumptive annual contribution will be 5% of the total amount of Financial Assurance required pursuant to Rule 702.d.(3).B until the Operator's Contributed Financial Assurance meets or exceeds its Financial Assurance amount. The Commission may adjust this timeline based upon considerations of the field life for the Operator's Oil and Gas Operations.

Total Amount of Financial Assurance
Required Pursuant to Rule 702.d.(3).B.:

\$ 394,670,000.00

Annual Contribution Amount: 5% of Total
Amount:

\$ 19,733,500.00

TEST DATA

Auto-calculated.

Option 4 is 10%

Annual Contributions will be due on the anniversary of this Form 3's approval date.

Operator's Modified Annual Contribution
Amount:

\$

Optional: Requires a hearing for Commission approval.

Annual Contribution Amount % of Total:

%

Auto-calculated.

Operator will file a hearing application for this plan.

Certification of Financial Capability

An Operator will provide a Certification of Financial Capability signed by an Operator's corporate officer to ensure it is financially capable of meeting all of the obligations imposed by the Act and Commission's Rules.

Required Attachment:
Certification of Financial Capability
Will not be confidential.

OPTION 5 SECTION (Slide 1 of 7)

Financial Assurance for Wells Option 5

Option 5 - Financial Assurance for Wells

NOTE: Federal and Tribal Wells are not included.

SET FINANCIAL ASSURANCE TYPES FOR WELLS

Click to open autopopulated Well list.

Every Well has a Status, but not every Well has a Designation.
The list will automatically select Status if there is no Designation for that well.

Financial Assurance Type per Well

For each well, select whether you'd like to use the **Status** or **Designation** for its Financial Assurance Amount.

Hide completed wells

Filter x 10 per page 3117 records

Filter x Filter x Filter x Filter x Filter x

API Number ^	Well Name ^	Well Num ^	Well Status ^	Well Designation ^	Use Well Status	Use Well Designation
05-123-29164	MEYER	4	PRODUCING	Producing	<input type="radio"/> ---	<input type="radio"/> ---
05-123-29188	Dyer	1-2	PRODUCING	Producing	<input type="radio"/> ---	<input type="radio"/> ---
05-123-29235	GOLD	22-9U	PRODUCING	Producing	<input type="radio"/> ---	<input type="radio"/> ---

TEST DATA

OPTION 5 SECTION (Slide 2 of 7)

Amount of Financial Assurance Based Upon Well Status

Operator enters an amount for every status, even if the number of wells with that status is currently zero.

Well Status	Number of Wells	Number of Wells Subject to Financial Assurance by Status	Amount of per Well Financial Assurance by Status	Total of Financial Assurance by Status
Active	<u>10</u>	0	\$ <input type="text"/>	\$0.00
AP	0	0	\$ <input type="text"/>	\$0.00
Domestic			\$ <input type="text"/>	\$0.00
Drilling	<u>176</u>	0	\$ <input type="text"/>	\$0.00
Injecting	<u>17</u>	0	\$ <input type="text"/>	\$0.00
Producing	<u>2065</u>	0	\$ <input type="text"/>	\$0.00
Shut In	<u>526</u>	0	\$ <input type="text"/>	\$0.00
Suspended Operations	0	0	\$ <input type="text"/>	\$0.00
Temporarily Abandoned	<u>79</u>	0	\$ <input type="text"/>	\$0.00
Waiting on Completion	<u>16</u>	0	\$ <input type="text"/>	\$0.00
TOTALS	2889	0		\$0.00

Autopopulated

Autopopulated

Auto-calculated

TEST DATA

Auto-calculated

OPTION 5 SECTION (Slide 3 of 7)

Operator enters an amount for every designation, even if the number of wells with that designation is currently zero.

Amount of Financial Assurance Based Upon Well Designation

Well Designation	Number of Wells	Number of Wells Subject to Financial Assurance by Designation	Amount of per Well Financial Assurance by Designation	Total of Financial Assurance by Designation
Defined Inactive	328	0	\$ <input type="text"/>	\$0.00
Noticed Inactive			\$ <input type="text"/>	\$0.00
Inactive Exception	0	0	\$ <input type="text"/>	\$0.00
Low Producing	375		\$ <input type="text"/>	\$0.00
Out of Service	0	0	\$ <input type="text"/>	\$0.00
Out of Service Repurposed	0	0	\$ <input type="text"/>	\$0.00
TOTALS	703	0		\$0.00

Autopopulated

Autopopulated

Auto-calculated

TEST DATA

Auto-calculated

Auto-calculated

Total amount of Financial Assurance based upon Well Status and Well Designation:

\$ 0.00



OPTION 5 SECTION (Slide 4 of 7)

Describe the circumstances under which the Director will collect Single Well Financial Assurance (SWFA) for future Low Producing Wells:

Required.

Operator's Demonstrated Costs

Supporting Evidence for these costs must be attached.

P&A Costs \$

TVD <= 4,000 ft:

\$

TVD > 4,000 & <= 8,000 ft:

\$

TVD > 8,000 ft:

\$

Location Reclamation Cost:

\$

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA).

Required Attachment:
Supporting Evidence for
Demonstrated Costs
May qualify for confidentiality.

Well plugging costs by
TVD at total depth.

All 4 values required if
Operator chooses to use
their Demonstrated
Costs for SWFA.
(See 100 Series
Definition of Single Well
Financial Assurance.)



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OPTION 5 SECTION (Slide 5 of 7)

Single Well Financial Assurance (SWFA) for Out of Service Wells

May be required in the future per Rule 434.d.(8).B.ii.

[VIEW WELLS](#)

Number of Out of Service Wells with SWFA: # 0

Amount of SWFA for Out of Service Wells: \$ 0.00

Auto-populated & Auto-calculated

Amount of SWFA using Operator's Demonstrated Costs: \$ 0.00

Other Financial Assurance for Out of Service Wells

May be required in the future per Rule 434.d.(8).B.i.

Number of Out of Service Wells with Other Financial Assurance: # 0

Amount of Other Financial Assurance for Out of Service Wells: \$ 0.00

Auto-populated & Auto-calculated

Single Well Financial Assurance (SWFA) for Low Producing Wells

May be required in the future per Rule 702.d.(5).B.iii.

Number of Transferred Low Producing Wells with SWFA: # 0

Amount of SWFA for Transferred Low Producing Wells: \$ 0.00

Auto-populated & Auto-calculated

Amount of SWFA using Operator's Demonstrated Costs: \$ 0.00

Option 5 - Consideration of Low Producing Wells

Applicable Option from Rules 702.c.(1)–(4) based on the Operator’s average daily per-Well production:

The Financial Assurance that would be required for the Operator’s Low Producing Wells if the Operator pursued a Financial Assurance Plan per the Option above:

Option 1	
\$	8,760,000.00

TEST DATA

Auto-populated & Auto-calculated
See Rule 702.d.(5).a.vi.



OPTION 5 SECTION (Slide 7 of 7)

Option 5 Justification

Provide the Operator's justification for not pursuing a Financial Assurance Plan based on the criteria in Rules 702.c.(1)–(4) in the space below.

NOTE: If this space is not adequate, please provide this information in an attachment.:

Required.

Attachment:
Option 5 Justification

Option 5 Factors

Describe the following in the space below: the operator's financial condition or circumstances, the operator's history of compliance (especially compliance with well integrity requirements and timely payment of royalties), the lack of any adjudicated major violations under Rule 525.c in the three years immediately preceding the Option 5 application, and the operator's plugging and abandonment activities. NOTE: If this space is not adequate, please provide this information in an attachment.:

Required.

Attachment:
Option 5 Factors

Certification of Financial Capability and Unmodified Opinion

An Operator will provide a Certification of Financial Capability to ensure it is financially capable of meeting all of the obligations imposed by the Act and Commission's Rules. The Certification will be signed by an Operator's corporate officer and will include its current net worth, as demonstrated through financial statements accompanied by an unmodified opinion issued by an independent auditor.

Required Attachment:
Certification of Financial Capability
Will not be confidential.

Required Attachment:
Audited Financial Statements
Will probably be confidential.



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OPTION 6 SECTION (Slide 1 of 3)

Financial Assurance for Wells Option 6

Option 6 - Financial Assurance for Wells

Total Number of Wells

3074

Autopopulated

25% of Total Wells:

768

Rule 702.d.(6).B.ii.aa.

Note: Federal and Tribal Wells are not included below.

Comprehensive Financial Assurance for Wells (excluding Out of Service Wells) is \$40,000,000

Review autopopulated list to see individual Wells.

Number of Non-Low Producing Wells Covered by Comprehensive Financial Assurance

2699

VIEW WELLS COVERED BY COMPREHENSIVE FINANCIAL ASSURANCE

Number of Low Producing Wells Covered by Comprehensive Financial Assurance

375

VIEW LOW PRODUCING WELLS COVERED BY COMPREHENSIVE FINANCIAL ASSURANCE

Wells under 25% threshold. Wells with the highest SWFA.

Total Number of Wells Covered by Comprehensive Financial Assurance:

3074

Auto-calculated.

TEST DATA



OPTION 6 SECTION (Slide 2 of 3)

Required Attachment:
Supporting Evidence for Demonstrated Costs
May qualify for confidentiality.

Operator's Demonstrated Costs

Supporting Evidence for these costs must be attached.

P&A Costs \$

TVD <= 4,000 ft: \$

TVD > 4,000 & <= 8,000 ft: \$

TVD > 8,000 ft: \$

Location Reclamation Cost: \$

Well plugging costs by TVD
at total depth.

All 4 values required if
Operator chooses to use their
Demonstrated Costs for
SWFA.
(See 100 Series Definition of
Single Well Financial
Assurance.)

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA).

Single Well Financial Assurance (SWFA) for Low Producing Wells

Number of Low Producing Wells with SWFA # 0

VIEW LOW PRODUCING WELLS WITH SWFA

Amount of SWFA for Low Producing Wells: \$ 0.00

Autopopulated &
Auto-calculated

Amount of SWFA for Low Producing Wells
using Operator's Demonstrated Costs: \$ 0.00

TEST DATA

Wells over 25% threshold.
Wells with the lowest SWFA.

Single Well Financial Assurance (SWFA) for Out of Service Wells (Rule 434.d.)

Number of Out of Service Wells with SWFA # 0

VIEW OUT OF SERVICE WELLS WITH SWFA

Amount of SWFA for Out of Service Wells: \$ 0.00

Autopopulated &
Auto-calculated

Amount of SWFA using Operator's
Demonstrated Costs: \$ 0.00

OPTION 6 SECTION (Slide 3 of 3)

Other Financial Assurance for Out of Service Wells (Rule 434.d.)

May be required in the future per Rule 434.d.(8).B.i.

Number of Out of Service Wells with Other Financial Assurance

0

[VIEW OUT OF SERVICE WELLS WITH OTHER FINANCIAL ASSURANCE](#)

Amount of Other Financial Assurance for Out of Service Wells:

\$ 0.00

Autopopulated & Auto-calculated

Total Financial Assurance for Wells:

\$ 40,000.00

Autopopulated & Auto-calculated

Certification of Financial Capability

An Operator will provide a Certification of Financial Capability signed by an Operator's corporate officer to ensure it is financially capable of meeting all of the obligations imposed by the Act and Commission's Rules.

Required Attachment:
Certification of Financial Capability
Will not be confidential.



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OTHER FINANCIAL ASSURANCE SECTION (Slide 1 of 2)

Other Financial Assurance

Financial Assurance for Other Oil and Gas Facilities & Operations (Rule 703)

Number of Oil and Gas Facilities & Operations with Individual Financial Assurance:

Amount of Individual Financial Assurance for Oil and Gas Facilities & Operations: \$

[VIEW OIL AND GAS FACILITIES & OPERATIONS WITH INDIVIDUAL FINANCIAL ASSURANCE](#)

Number of Oil and Gas Facilities & Operations with Blanket Financial Assurance:

Amount of Blanket Financial Assurance for Oil and Gas Facilities & Operations: \$

[VIEW OIL AND GAS FACILITIES & OPERATIONS WITH BLANKET FINANCIAL ASSURANCE](#)

Total Amount of Financial Assurance for Other Oil and Gas Facilities & Operations: \$

Autopopulated from the database.
Auto-calculated using new amounts.

Individual

Centralized E&P Waste Management - Rule 703.a.
Gas Facilities - Rule 703.d.
Produced Water Transfer Systems - Rule 703.e.
Commercial Disposal Facilities - Rule 703.f.

Blanket

Seismic Operations - Rule 703.c.
Gas Facilities - Rule 703.d.



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OTHER FINANCIAL ASSURANCE SECTION (Slide 2 of 2)

Autopopulated from the database.
Auto-calculated using new amounts.

Financial Assurance for Remediation Projects (Rule 703.b.)

Number of Remediation Projects:

Total Amount of Financial Assurance for Remediation Projects:

[VIEW FINANCIAL ASSURANCE FOR REMEDIATION PROJECTS](#)

Surface Owner Protection Bonds (Rule 704)

Amount of Statewide Blanket Surface Owner Protection Bond:

Number of Individual Surface Owner Protection Bonds:

Total Amount of Individual Surface Owner Protection Bonds:

[VIEW INDIVIDUAL SURFACE OWNER PROTECTION BONDS](#)



Operator's Financial Assurance Summary

Amount of Financial Assurance Required per Rule 702

Amount of Financial Assurance Required per Rule 703

Amount of Financial Assurance Required per Rule 704

Total Amount of Financial Assurance the Operator will provide to the Commission no later than 90 days from the Commission's approval of the Financial Assurance Plan

Autopopulated & Auto-calculated from the form.



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ATTACHMENTS (Slide 1 of 2)

Attachments

UPLOAD Delete Selected Refresh

<input type="checkbox"/>	Attachment Name	File Name	Confidential	Date Uploaded	
<input type="checkbox"/>	ASSET RETIREMENT PLANNING	Testing Forms Attachment.pdf <small>File uploaded successfully!</small>	<input type="checkbox"/>	8/29/2022	DELETE
<input type="checkbox"/>	CERTIFICATION OF FINANCIAL CAPABILITY	Testing Forms Attachment.pdf <small>File uploaded successfully!</small>	<input type="checkbox"/>	8/29/2022	DELETE

Autopopulated & Auto-calculated from the form.



ATTACHMENTS (Slide 2 of 2)

Asset Retirement Planning

Asset Retirement Planning - Confidential

Asset Retirement Planning - Redacted

Audited Financial Statements

Audited Financial Statements - Confidential

Audited Financial Statements - Redacted

Certification of Financial Capability

Director Approved Confidential Document - Confidential

Director Approved Confidential Document - Redacted

Option 5 Justification

Option 5 Factors

Other

Supporting Evidence for Demonstrated Costs

Supporting Evidence for Demonstrated Costs - Confidential

Supporting Evidence for Demonstrated Costs - Redacted



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All Operators

1. Form 1C, Consolidation of Related Operators
2. Form 3B, Federal Financial Assurance Wells
3. Financial Assurance types
4. Bond Rider information
5. Option Eligibility
 - Operator's Average Daily Per-Well Production for the Previous 12 months
6. Inactive Well List Information
 - Reason for No Production
 - Planned Return to Production Date
 - Planned Plugging Date
7. Operator's Demonstrated Costs for SWFA
 - Amounts (\$)
 - Attachment: Supporting Evidence for Demonstrated Costs
8. Attachment: Certification of Financial Capability
9. Attachment: Asset Retirement Planning
10. Hearing Application



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Option 3 & 4 Operators

1. Modified Annual Contribution Amount

Option 5 Operators

1. Financial Assurance per Well by Status and by Designation
 - Amounts (\$)
 - Identify Wells
2. Option 5 Justification
3. Option 5 Factors
4. Attachment: Audited Financial Statements



THANKS!!!

Any Questions?

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