Form 3, Financial Assurance Plan

Operator Meeting

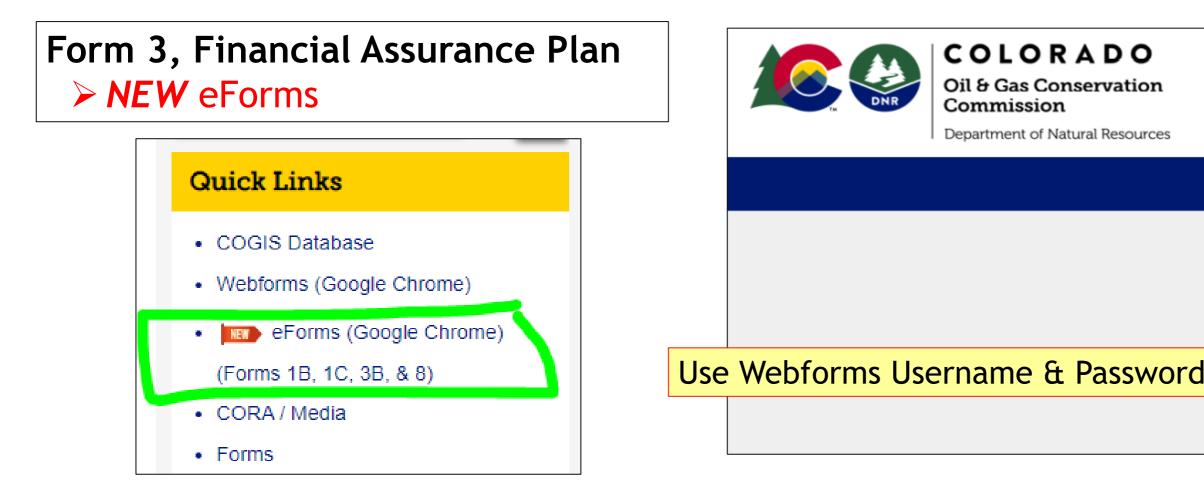
August 30, 2022



COLORADO Oil & Gas Conservation Commission

Department of Natural Resources

COGCC Staff



Start a New Form		
	Search	Q
Form Number	T Form Name	▼ Action
1B	Annual Registration	FILE ONLINE
1C	Consolidation of Related Operators	FILE ONLINE
3	Financial Assurance Plan	Select FILE ONLINE
3B	Federal Financial Assurance Wells	FILE ONLINE
8	OIL AND GAS CONSERVATION LEVY	FILE ONLINE

[Electronic Forms Lo	ogin
ł	Username Password	•

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

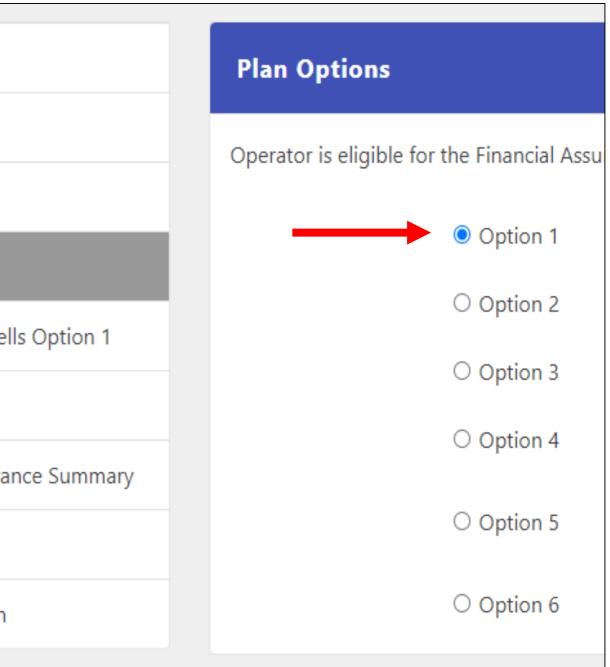
Operator's Financial Assurance Summary

Attachments

Signature and Certification

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





OPERATOR INFORMATION SECTION (Slide 1 of 3)

Operator Info	rmation		
Type of Plan			Type of Plan: "Initial" will b (Revised forms will be deve
🛛 Initial Plan 🚽	Revised - Annual Review	Revised - Change in Circumstance	
Revised - Propos	ed Transfer of Ownership	Revised - Transfer of Ownership	
Operator Inform			
Number:	5		
Name:	COLORADO OIL & GAS CONSE	RVATION COMMISSION	
Address:	1120 LINCOLN ST SUITE 801		
City:	DENVER States	CO Zip: 80203	Autop
Contact Inform	ation		Unsha
First Name:	Jane		
Last Name:	Stanczyk		
Phone:	(303) 894-2100		
Email:	jane.stanczyk@state.co.us		



COLORADO Oil & Gas Conservation Commission Department of Natural Resources

be autopopulated on all forms for now. eloped later.)

opulated ded can be edited

OPERATOR INFORMATION SECTION (Slide 2 of 3)

Hearing Application Information		
Hearing Application Information Docket Number of concurrent application for a Financial Assurance hearing (if applicable):	Operator enter (See Rule 702.1	
Commission Order to Approve this Plan (if applicable):	Staff enters Co	m
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	

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.

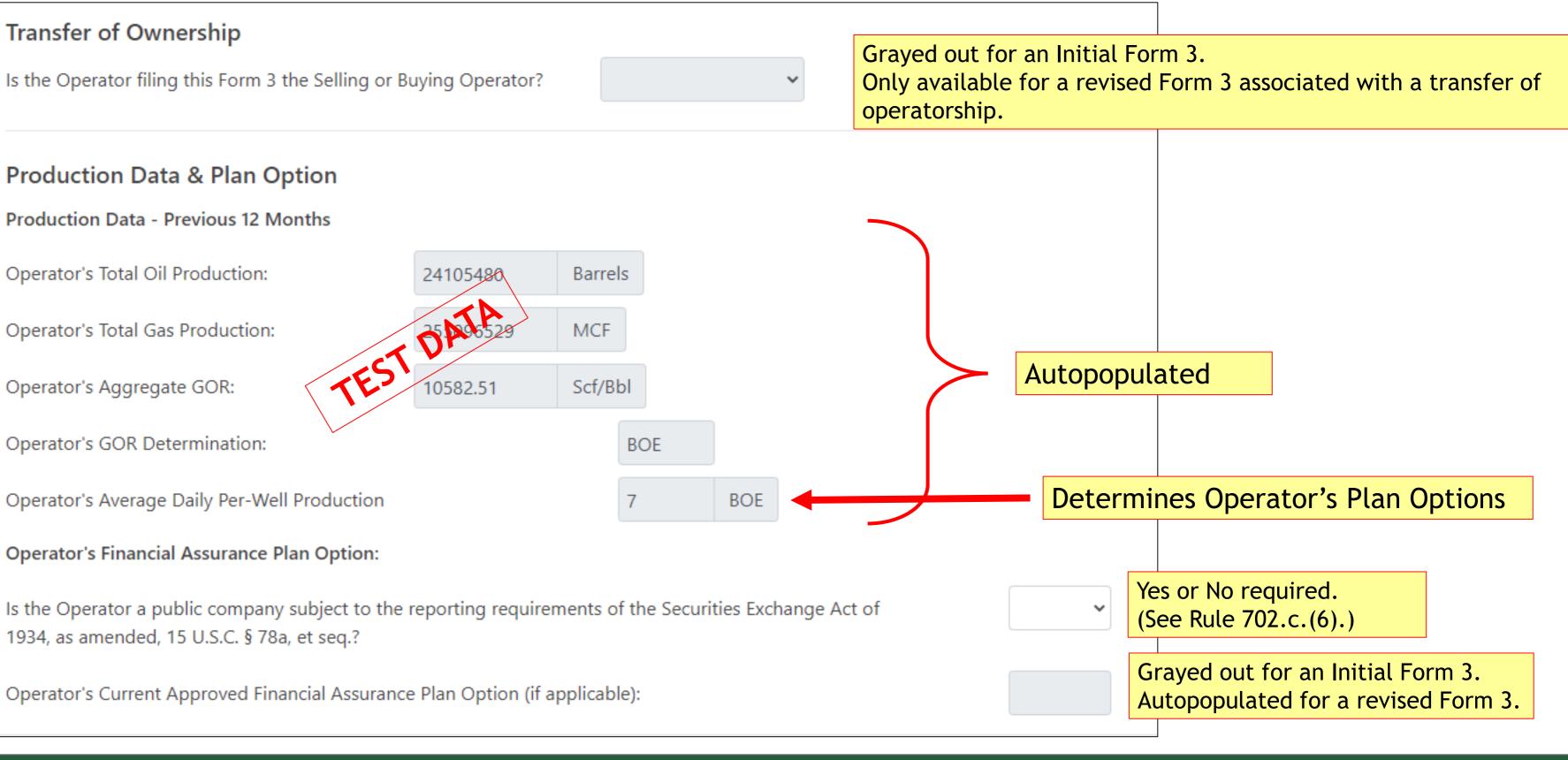


COLORADO Oil & Gas Conservation Commission Docket Number if a hearing is required. (1) & (2).)

nmission Order Number if a hearing is held.

- 1. Parent Operator Files the Form 3.
- 2. Subsidiary Operators are autopopulated.
- 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.

OPERATOR INFORMATION SECTION (Slide 3 of 3)





WELL DATA SECTION (Slide 1 of 6)

Well Data

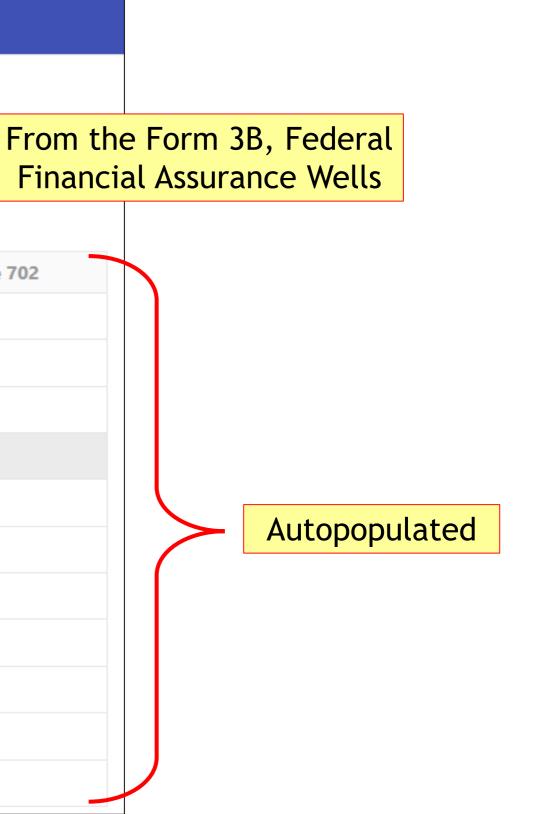
Well Data

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

Well Status Data

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





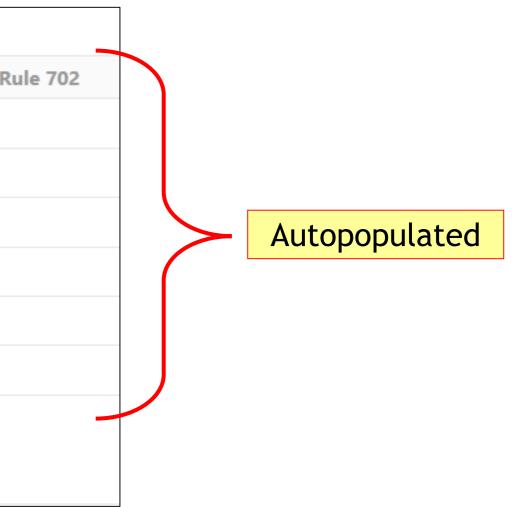
WELL DATA SECTION (Slide 2 of 6)

Well Designation Data

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

VIEW WELL DATA



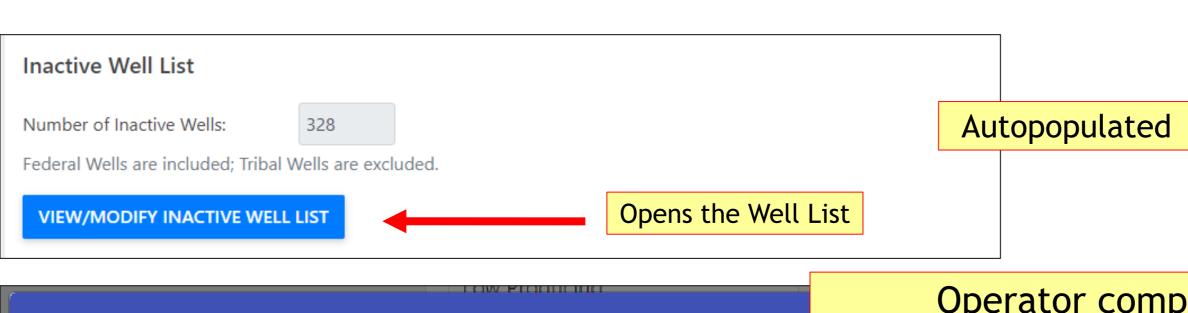


WELL DATA SECTION (Slide 3 of 6)

			(0.1.2.0					
_			WELL DATA	Autopo	pulated			
Well List								
Filter	×		10 per page				*	
Filter	×	Filter	Filter	X Filter	×	Filter	×	Filter
API Number	A	Well Name 🔷	Well Num 🛸	v	Vith FFA 🔶	Tribal Well	h.	Subject
05-123-40098	3	TARIN FEDERAL	32X-334					
05-123-40109	9	Becker Ranch	5M-203					
05-123-40110)	SRC Wind	M-17N-A					
05-123-40111	1	SRC Wind	E-17N-C		STDATA			
05-123-40112	2	SRC Wind	21-17C		STUR			
05-123-40113	3	SRC Wind	A-17N-C					
05-123-40114	4	SRC Wind	A-17NHZ					
05-123-40115	5	SRC Wind	21-17N-C					
05-123-40116	5	SRC Wind	11-17C					
05-123-40117	7	Becker Ranch	5U-243					
First «	1 2	3 4 5	» Last					

		×
	3135 records	
×	Filter X	Filter
t to Rule 702 🔺	Well Status 🔷	Well Designation
x	PRODUCING	Producing
x	PRODUCING	Shut In
X	PRODUCING	Producing

WELL DATA SECTION (Slide 4 of 6)



View/Modify Inactive Well List

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

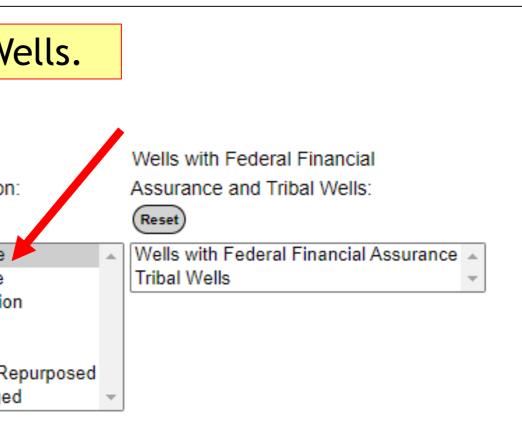


Commission

Operator completes these 3 columns. (See Rules 702.d. (1) - (6).A.iv.) Return to Production Date Planned Plugging Date M/d/yyyy M/d/yyyy v M/d/yyyy V

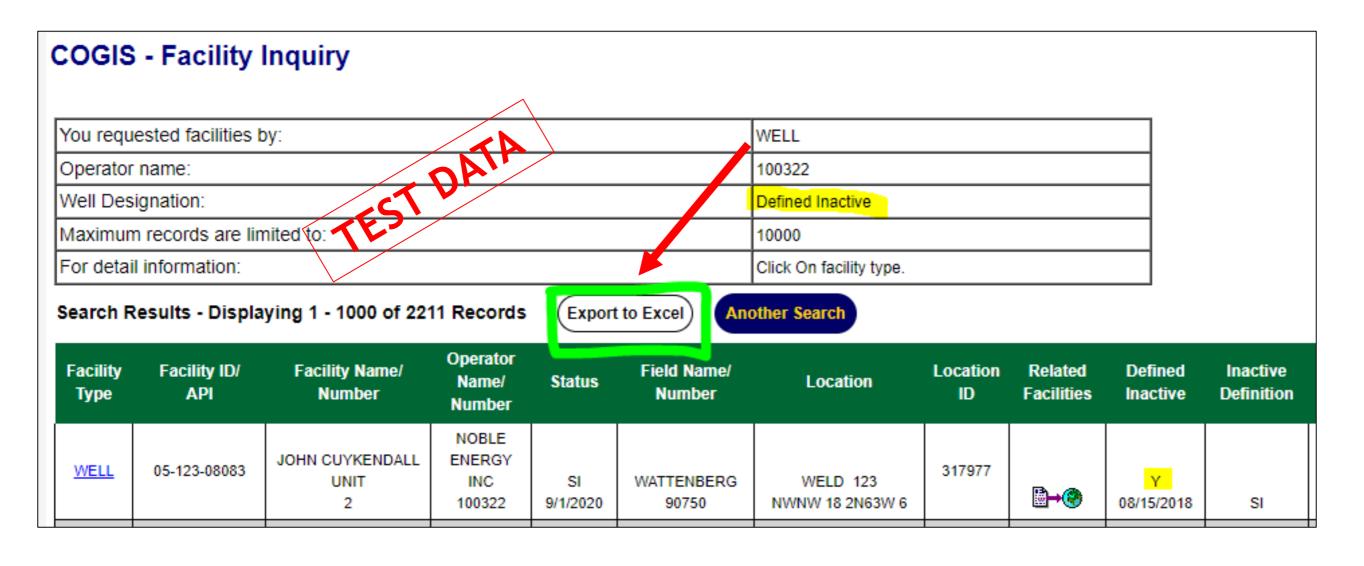
WELL DATA SECTION - Inactive Well List (Support 1 of 2)

COGIS - Facility Inquiry	Run a search for all your Defined In	active W
Enter search criteria:		
Facility Type:	County: Facility Status:	Well Designation
WELL LOCATION CENTRAL DELIVERY POINT CENTRALIZED EP WASTE MGMT FAC CRUDE OIL TRANSFER LINE	 ALAMOSA AC - ACTIVE ARAPAHOE ARCHULETA BACA BENT CM - COMMINGLED 	Defined Inactive Noticed Inactive Inactive Exceptio Low Producing Out of Service Out of Service Re Reported Plugge
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 the Municipality: Well API Number: County Code:	at you wish to select and then <u>click ENTER</u> . This will generate your selection list. Sequence Code:	
Operator: Facility/Location: Location: Qtrqtr	Name of Facility ID	ent Opera Isolidated
Field: Limit Records: Submit (Reset)	Name or Number	
COLORADO Oil & Gas Conservation Commission		



tors: Run searches for all your Subsidiary Operators.

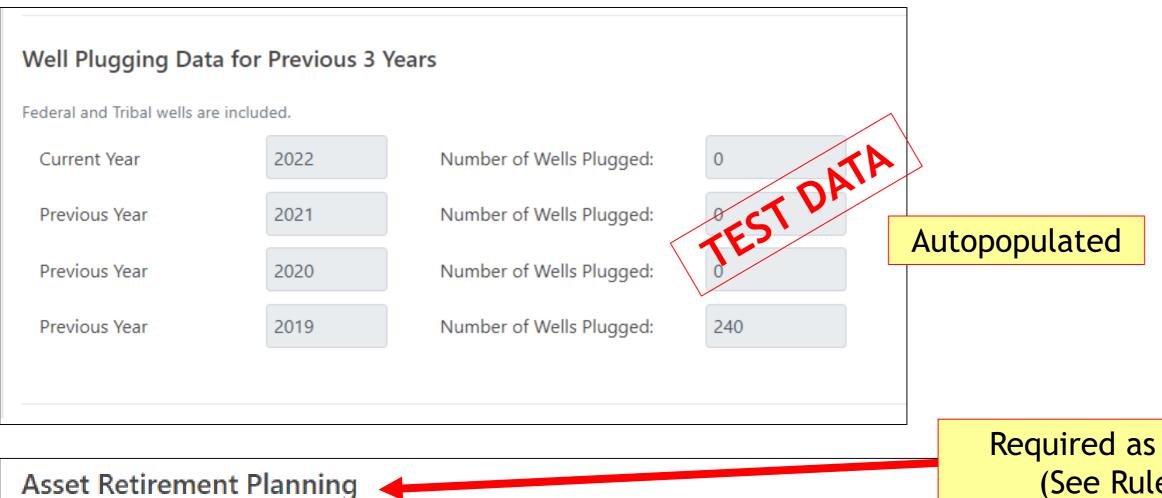
WELL DATA SECTION - Inactive Well List (Support 2 of 2)



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)



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."

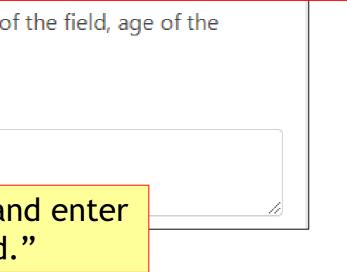


C O L O R A D O Oil & Gas Conservation

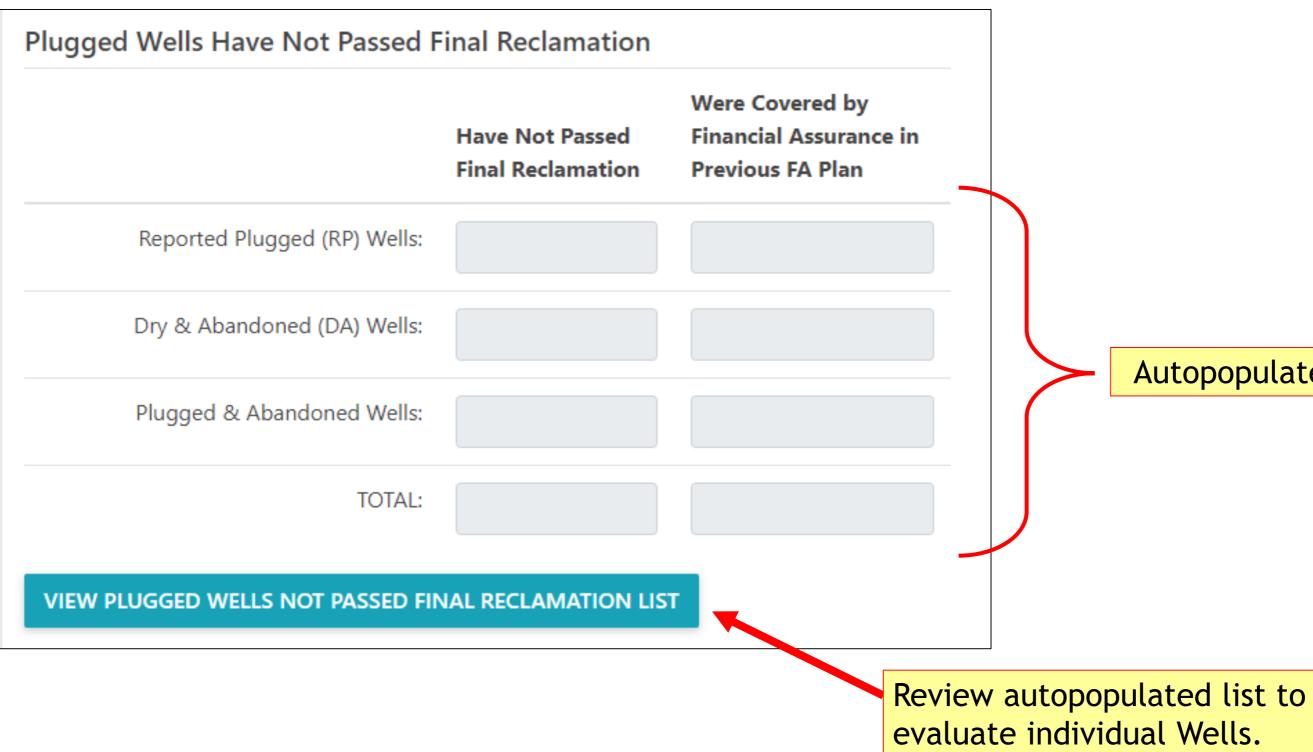
Department of Natural Resources

ommission

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



WELL DATA SECTION (Slide 6 of 6)





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.

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

FA Types & Bond Riders

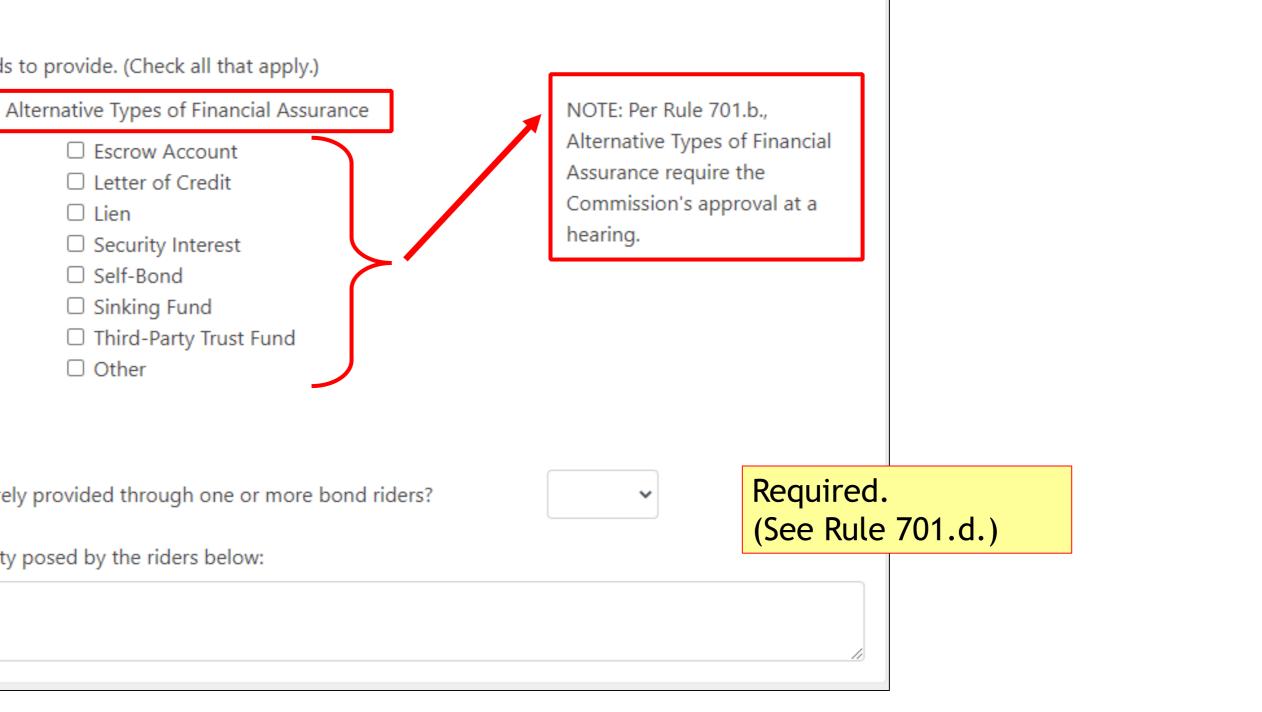
FINANCIAL ASSURANCE TYPE

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

Preferred Types of Financial Assurance

Cash Bond

□ Surety Bond



Bond Riders

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

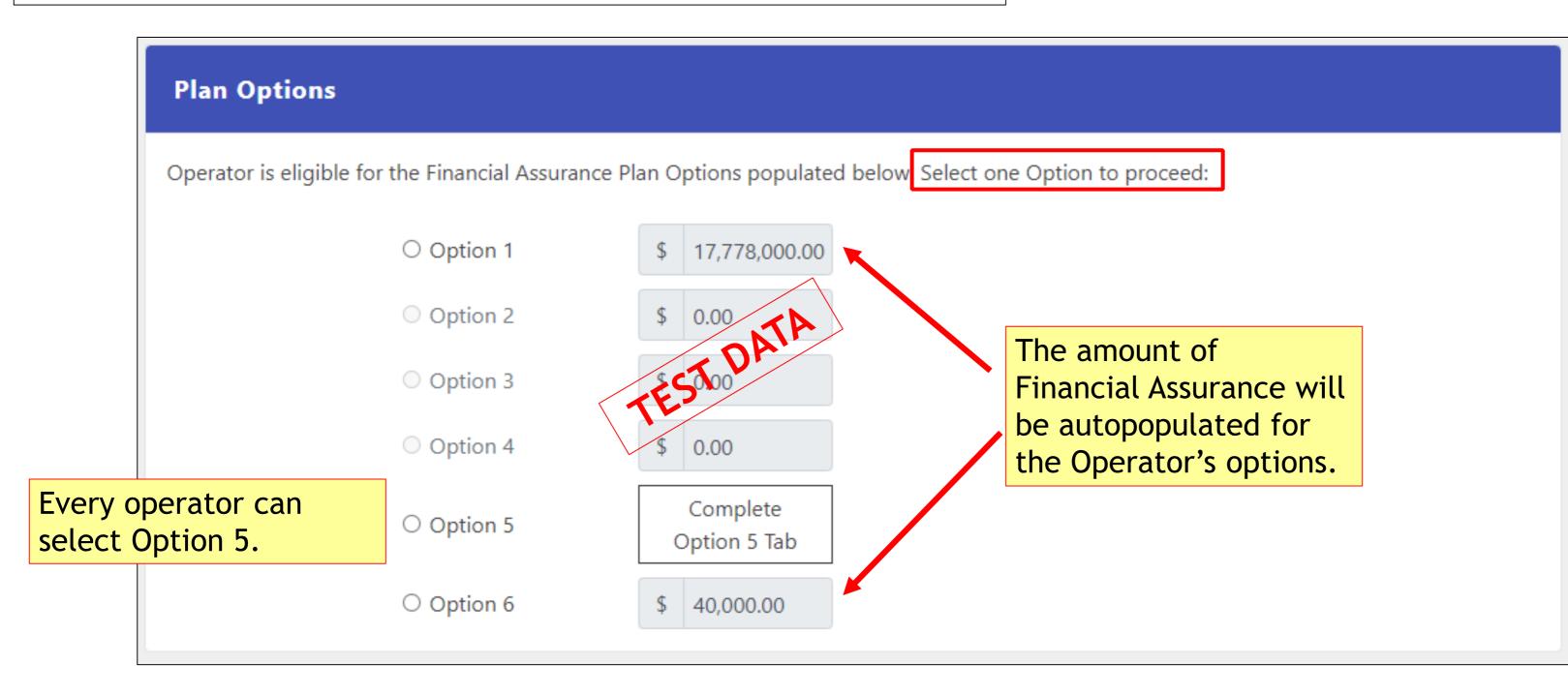
If "YES", describe all riders and address the liability posed by the riders below:



COLORADO Oil & Gas Conservation ommission Department of Natural Resources

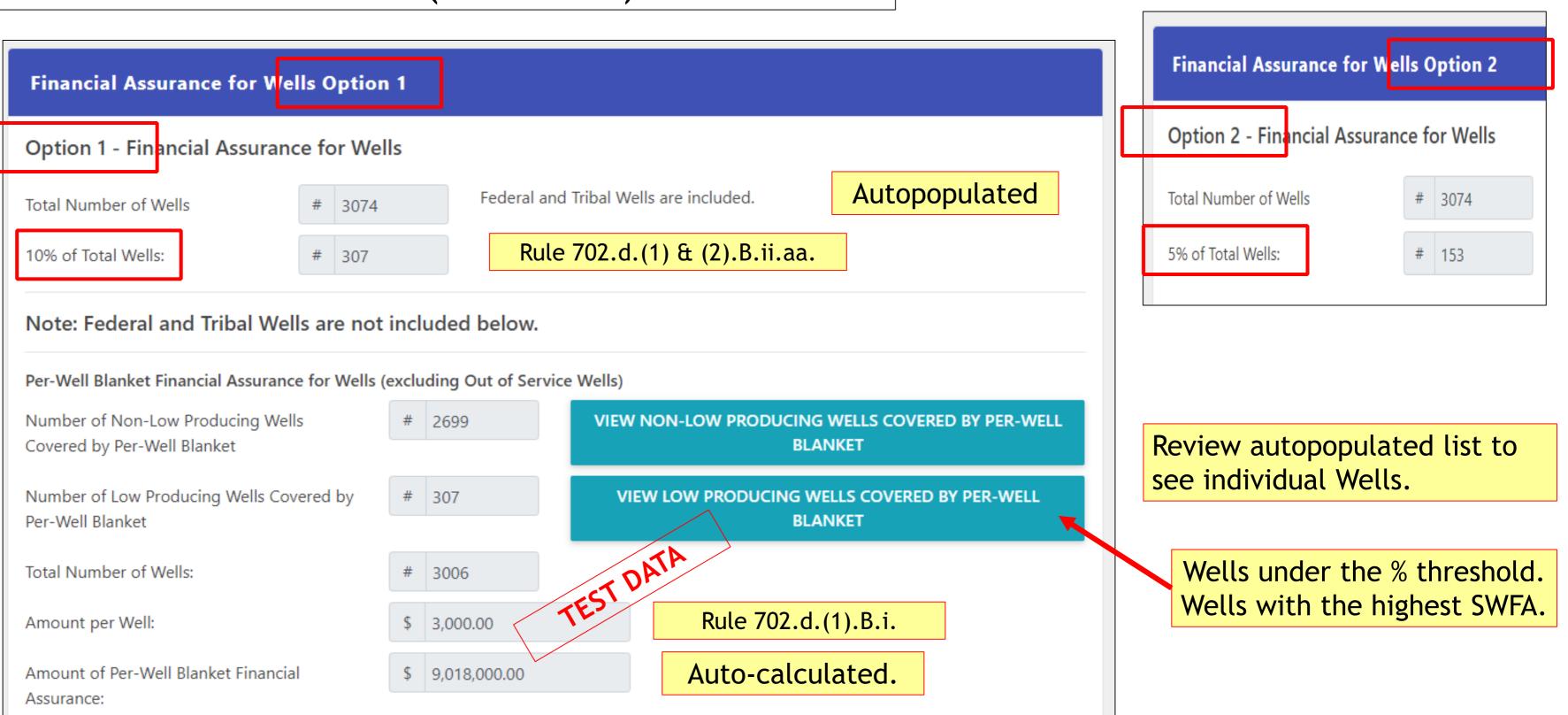
Required. (See Rules 702.d.(1), (2), (5), (6).C. and Rules 702.d.(3) & (4).D.)

PLAN OPTIONS SECTION (Slide 1 of 1)



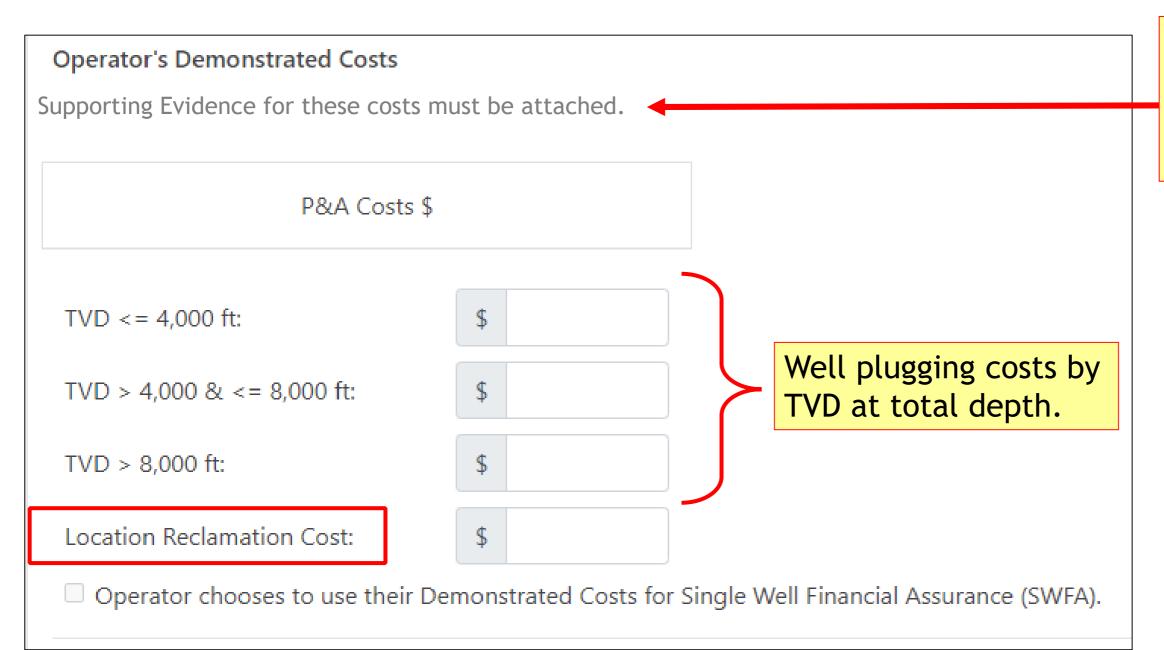


OPTION 1 & 2 SECTIONS (Slide 1 of 4)





OPTION 1 & 2 SECTIONS (Slide 2 of 4)

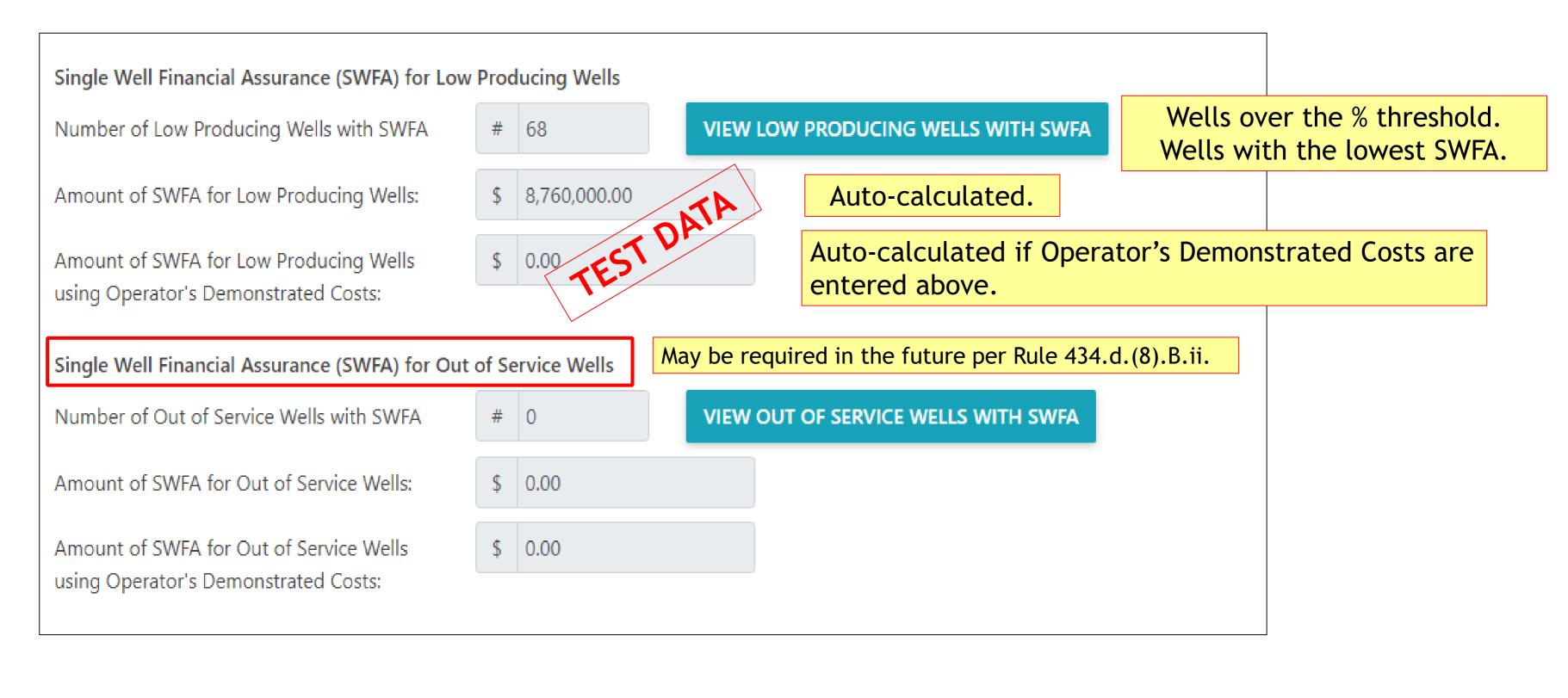




Required Attachment: Supporting Evidence for Demonstrated Costs May qualify for confidentiality.

> 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)





OPTION 1 & 2 SECTIONS (Slide 4 of 4)



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.



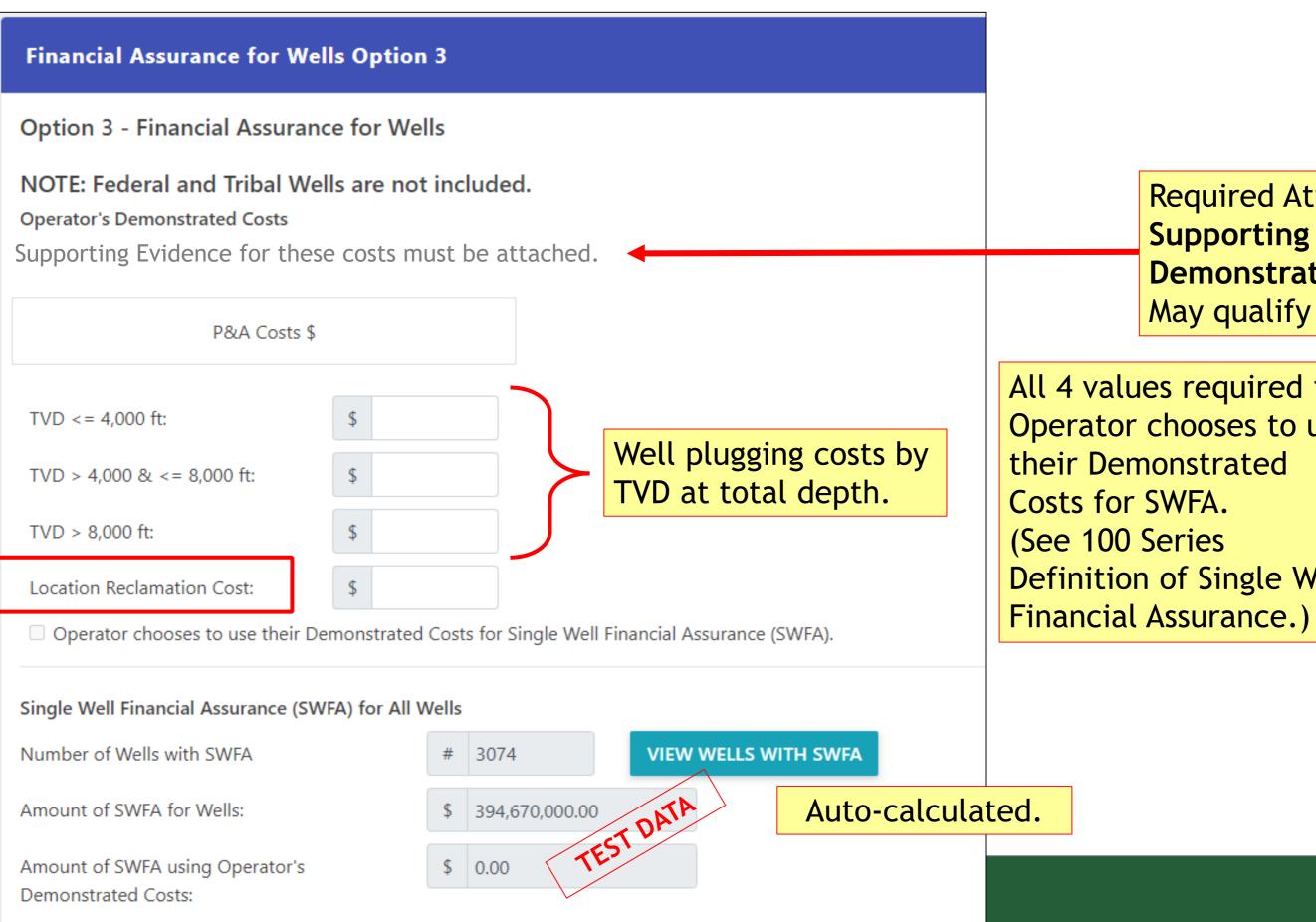
COLORADO Oil & Gas Conservation Department of Natural Resources

VIEW OUT OF SERVICE WELLS WITH OTHER FINANCIAL ASSURANCE

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

OPTION 3 & 4 SECTION (Slide 1 of 3)

Department of Natural Resource



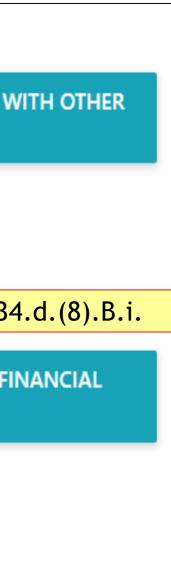
Required Attachment: Supporting Evidence for Demonstrated Costs May qualify for confidentiality.

All 4 values required if Operator chooses to use Definition of Single Well

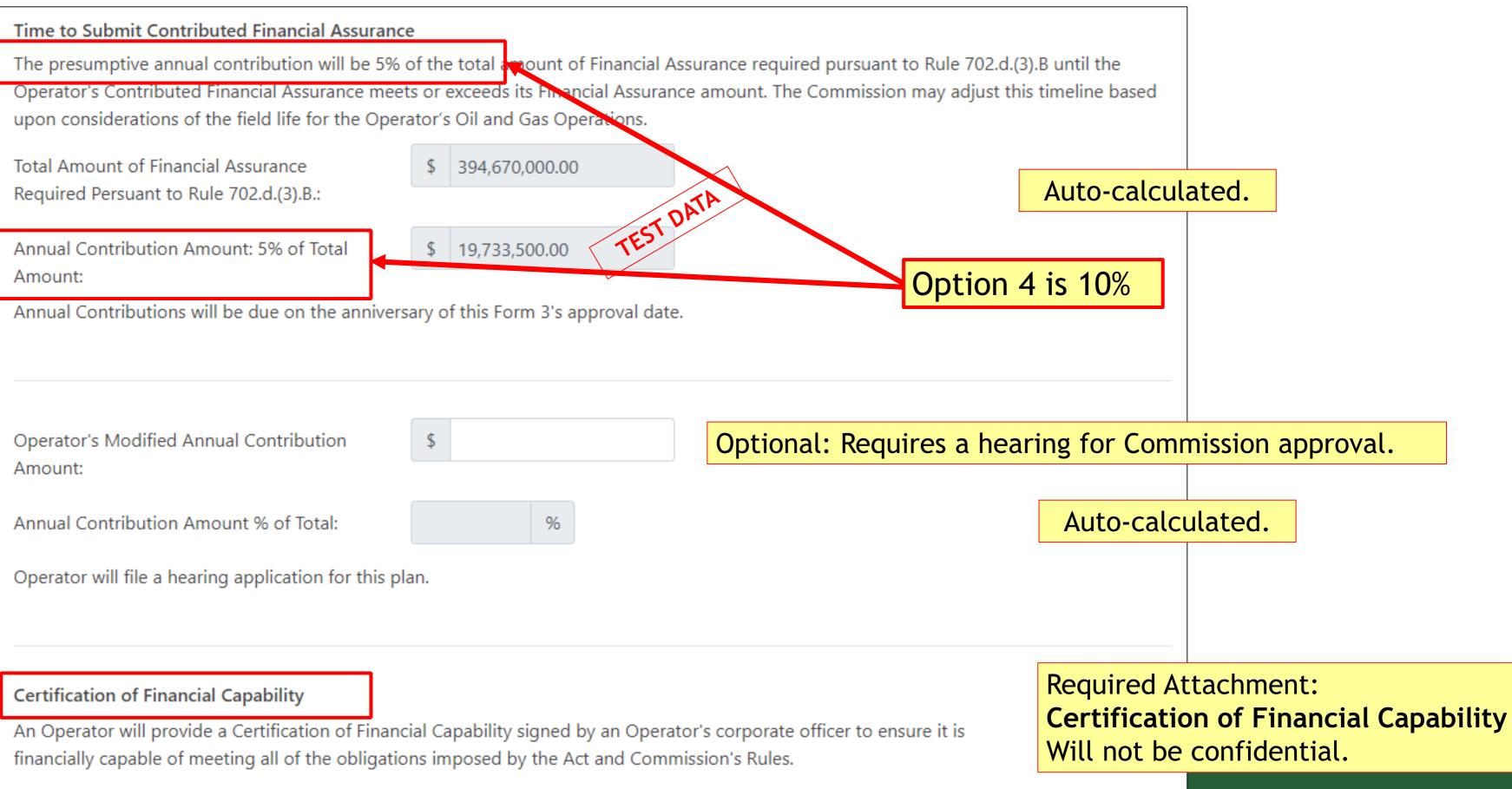
OPTION 3 & 4 SECTION (Slide 2 of 3)

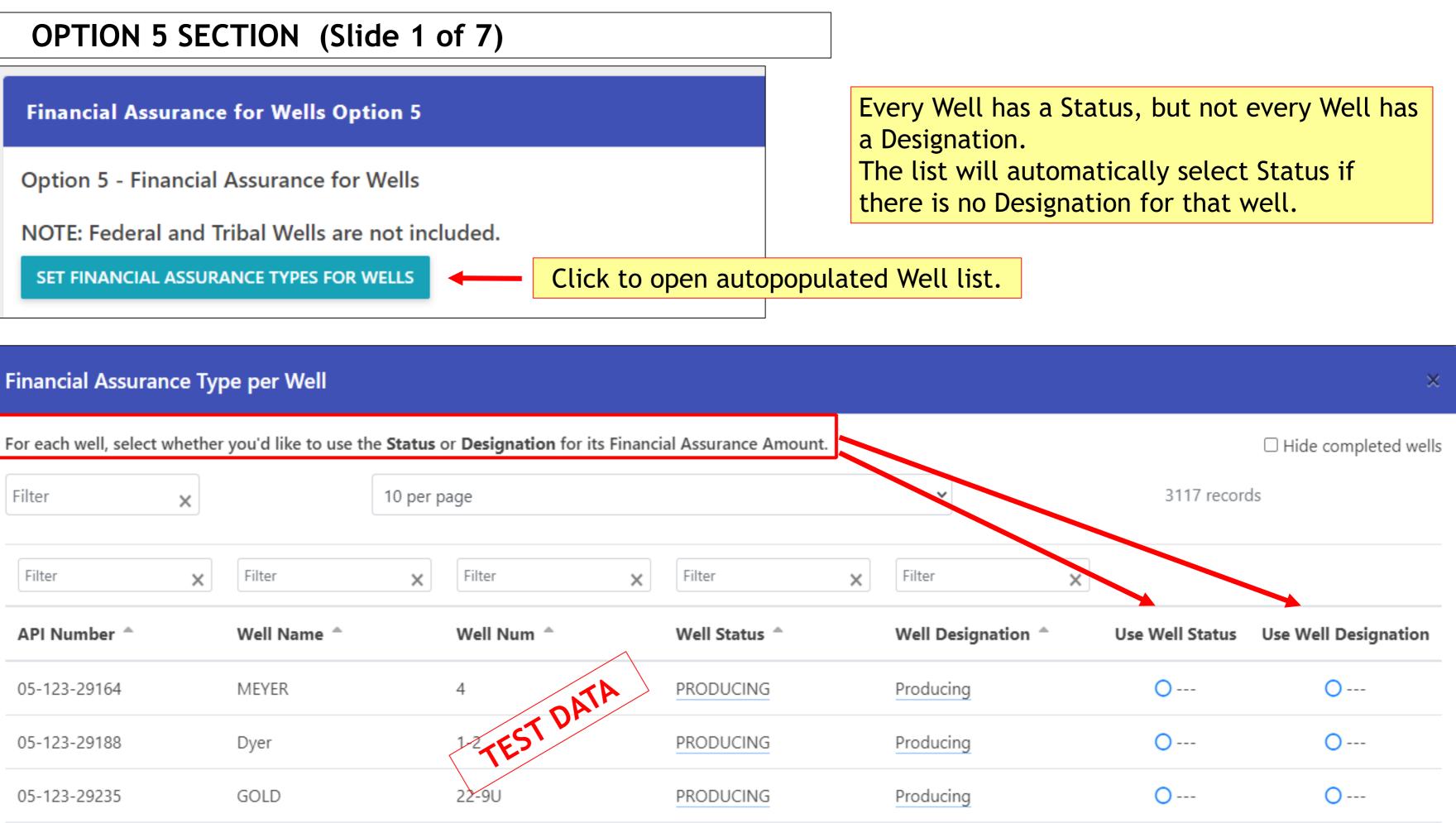
	Other Financial Assurance for Low Producing V	Nells	See Rule 702.d.(3) & (4).B.i.
	Number of Transferred Low Producing Wells with Other Financial Assurance	# 0	VIEW TRANSFERRED LOW PRODUCING WELLS W FINANCIAL ASSURANCE
	Amount of Other Financial Assurance for Transferred Low Producing Wells:	\$ 0.00	
Γ	Other Financial Assurance for Out of Service W	/ells	May be required in the future per Rule 434
	Number of Out of Service Wells with Other Financial Assurance	# 0	VIEW OUT OF SERVICE WELLS WITH OTHER FIL ASSURANCE
	Amount of Other Financial Assurance for Out of Service Wells:	\$ 0.00	





OPTION 3 & 4 SECTION (Slide 3 of 3)





OPTION 5 SECTION (Slide 2 of 7) Amount of Financial Assurance Based Upon Well Status					Operat status
		Number of Wells Subject to Financial	Amount of per Well Financial Assurance	Total of Fi	with nancial
Well Status	Number of Wells	Assurance by Status	by Status	Assurance	by Status
Active	10	0	\$	\$0.00	
АР	0 lated	0 lated	\$	\$0.00	lated
Domestic	Autopopulated	Autopopulated	\$	\$0.00 ca	Iculated
Drilling	176	0	\$.00	
Injecting	17	0 ATA	\$	\$0.00	
Producing	2065	TEST DATA	\$	\$0.00	
Shut In	526	0	\$	\$0.00	
Suspended Operations	0	0	\$	\$0.00	
Temporarily Abandoned	79	0	\$	\$0.00	
Waiting on Completion	16	0	\$	\$0.00	
TOTALS	2889	0		\$0.00	Aut

ator enters an amount for every us, even if the number of wells n that status is currently zero.

to-calculated

OPTION 5 SECTION (Slide 3 of 7)

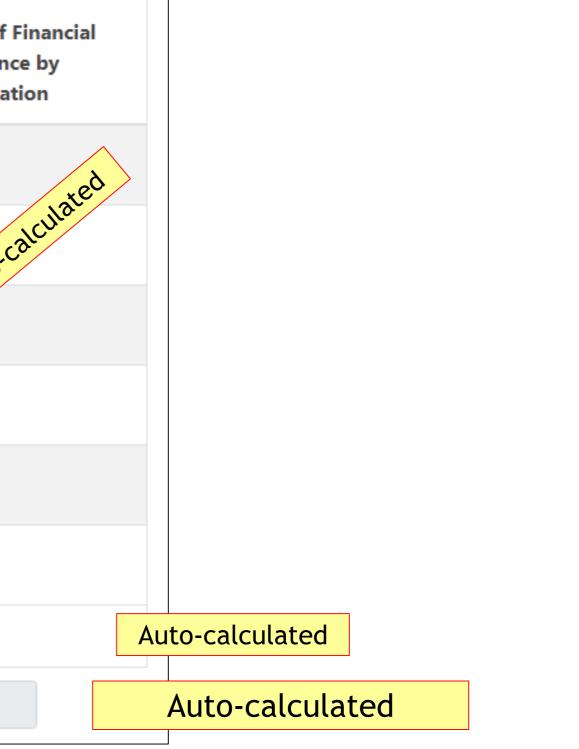
Amount of Financial Assurance Base	d Upon Well Designation			desig with
Well Designation	Number of Wells	Number of Wells Subject to Financial Assurance by Designation	Amount of per Well Financial Assurance by Designation	Total of Fin Assurance Designation
Defined Inactive	328 red	0 red	\$	\$0.00
Noticed Inactive	Autopopulated	Autopopulated	\$	\$0.00 cal
Inactive Exception	Are 0	A. 0	\$	AU
Low Producing	375	DATA	\$	\$0.00
Out of Service	0	ST DATA	\$	\$0.00
Out of Service Repurposed	0	0	\$	\$0.00
TOTALS	703	0		\$0.00

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

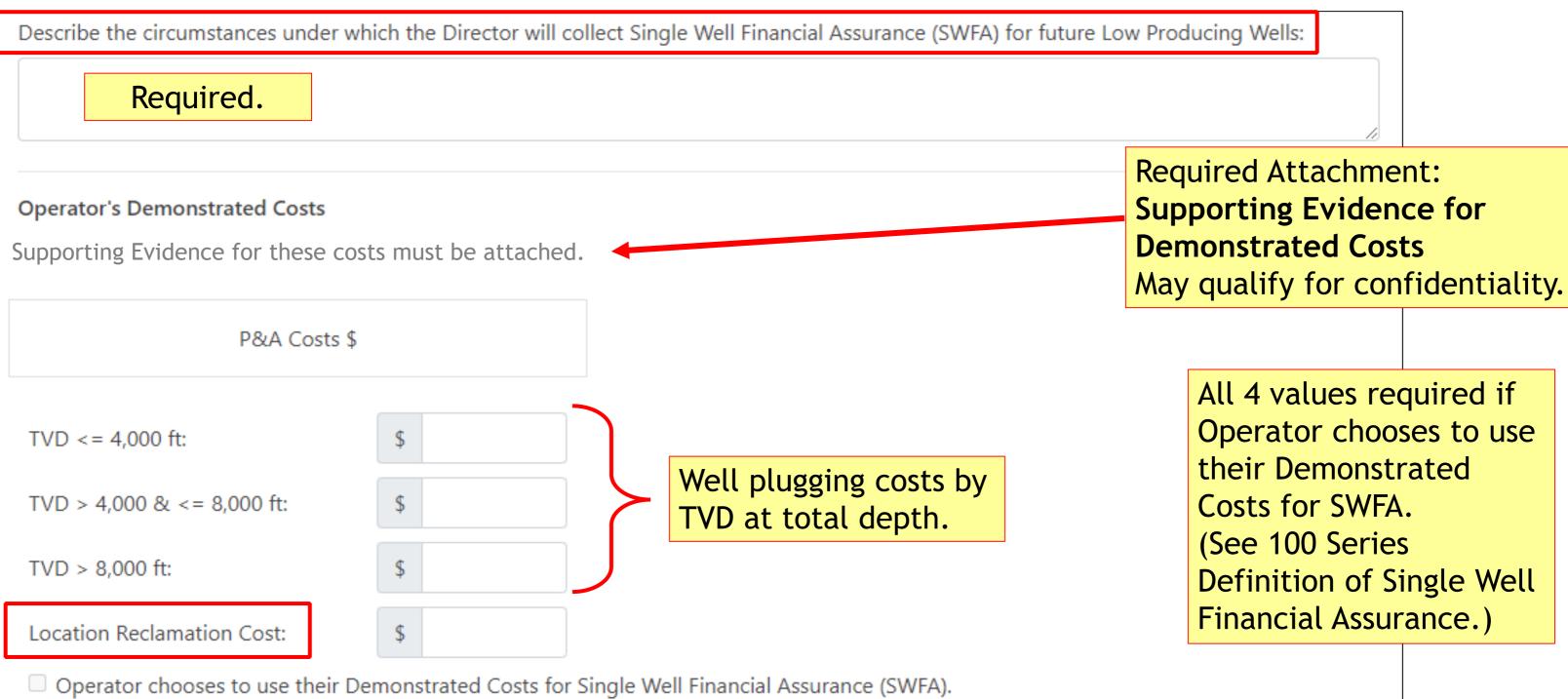


COLORADO Oil & Gas Conservation Commission Department of Natural Resources

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



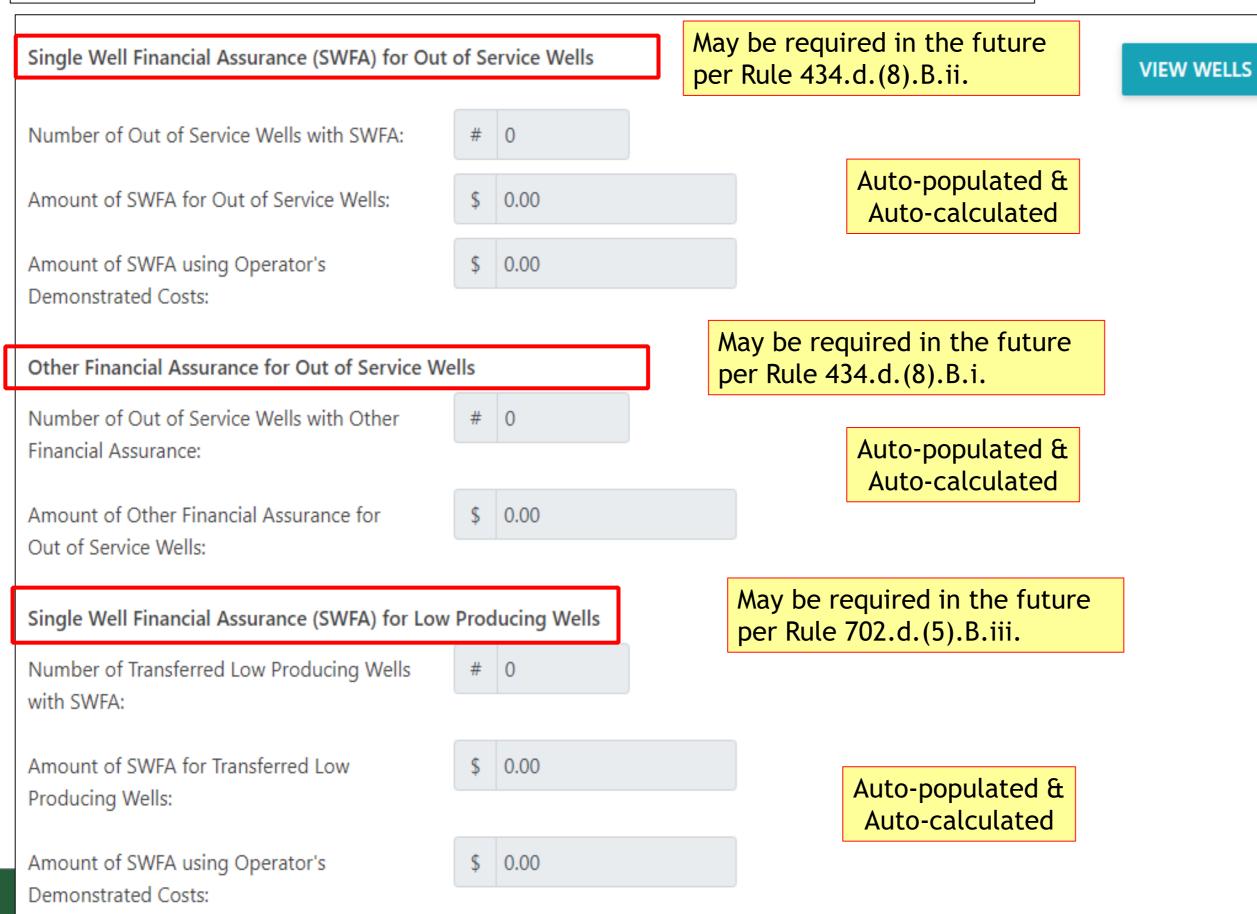
OPTION 5 SECTION (Slide 4 of 7)

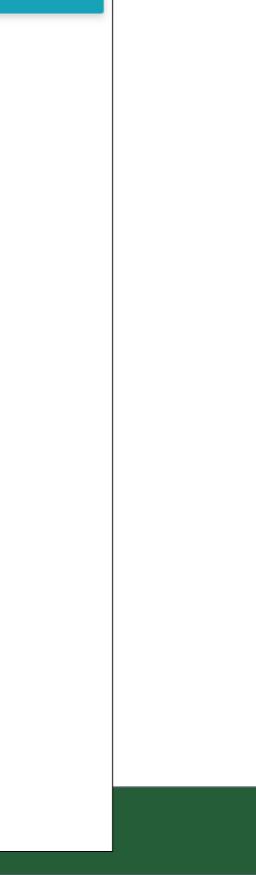




Operator chooses to use Definition of Single Well

OPTION 5 SECTION (Slide 5 of 7)





OPTION 5 SECTION (Slide 6 of 7)

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:





COLORADO Oil & Gas Conservation Commission Department of Natural Resources 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 s NOTE: If this space is not adequate, please provide this information in an attachment.:

Required.

Option 5 Factors

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

Required.

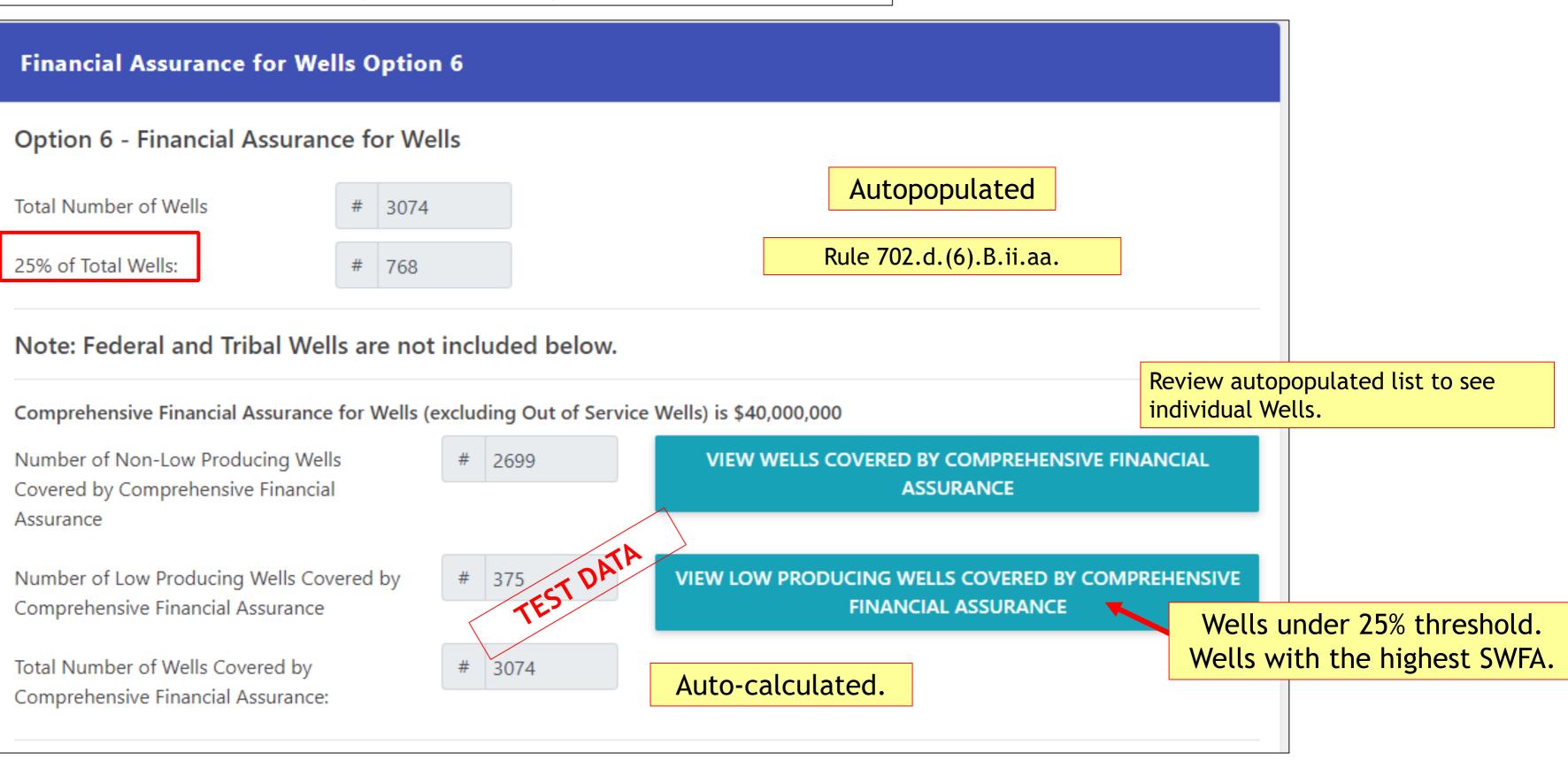
Certification of Financial Capability and Unmodified Opinion

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.



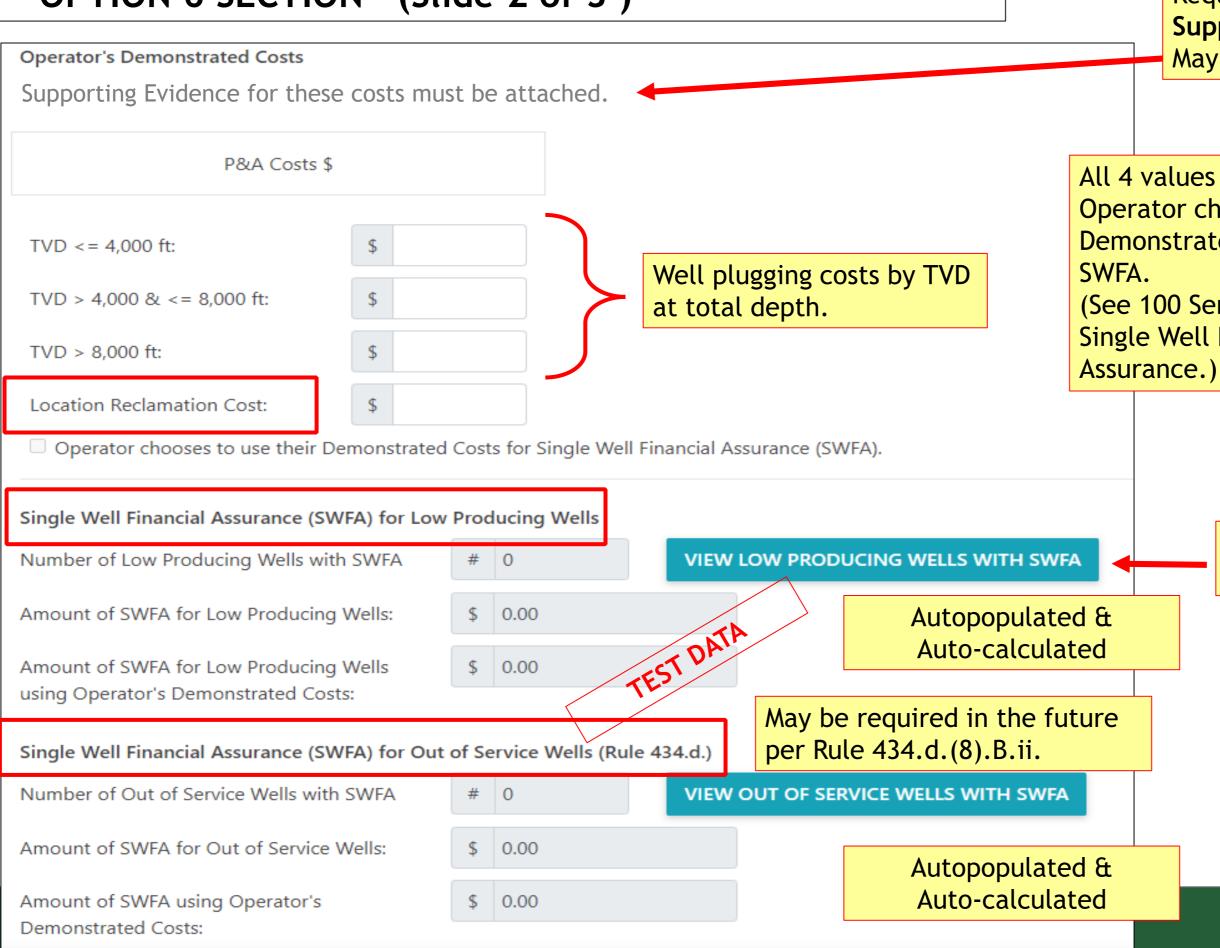
pace	e below.		
	Attachr Option	nent: 5 Justification	
Rule	specially 525.c in is space is		
	Attachr Option	nent: 5 Factors	
C	ertifica	Attachment: tion of Financial Capability be confidential.	
_ A	udited	Attachment: Financial Statements ably be confidential.	

OPTION 6 SECTION (Slide 1 of 3)





OPTION 6 SECTION (Slide 2 of 3)



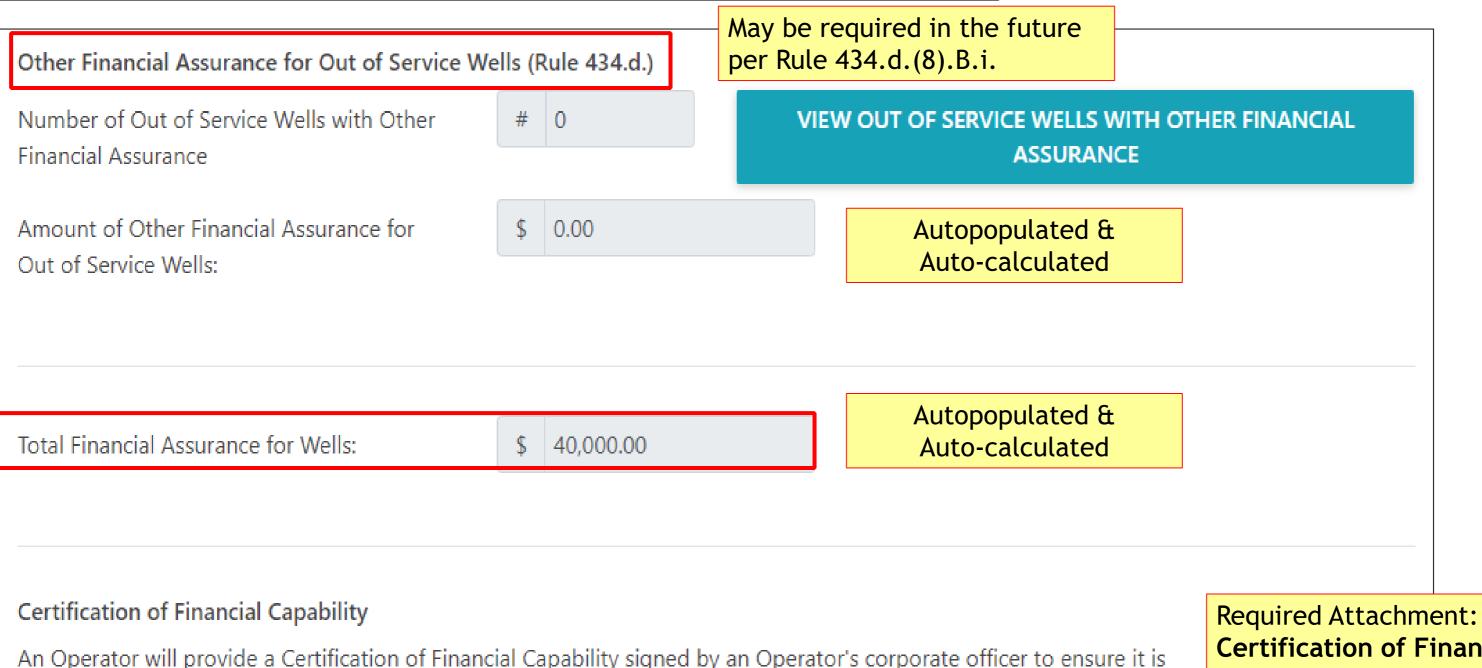
Required Attachment: Supporting Evidence for Demonstrated Costs May qualify for confidentiality.

All 4 values required if Operator chooses to use their Demonstrated Costs for

(See 100 Series Definition of Single Well Financial Assurance.)

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

OPTION 6 SECTION (Slide 3 of 3)



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.



COLORADO Oil & Gas Conservation Commission Department of Natural Resources **Certification of Financial Capability** Will not be confidential.

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 I	ndividual F	inancial
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:



COLORADO Oil & Gas Conservation Commission Department of Natural Resources \$

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.

OTHER FINANCIAL ASSURANCE SECTION (Slide 2 of 2)

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

\$	

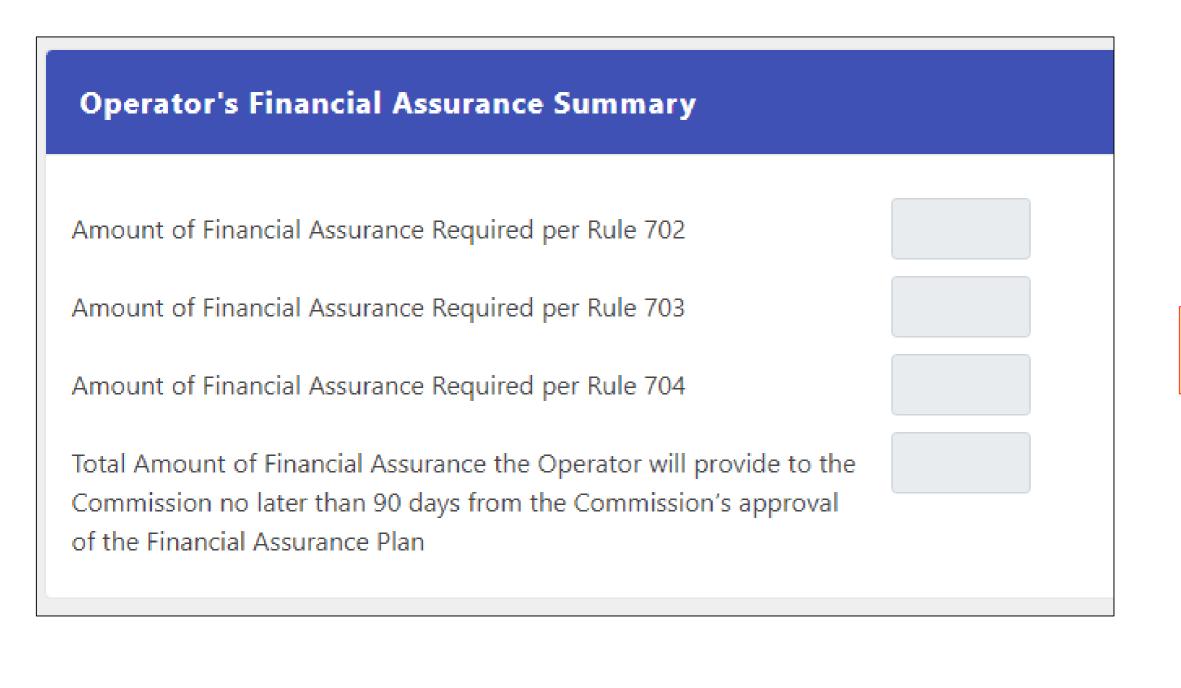
\$
\$



COLORADO Oil & Gas Conservation Commission Department of Natural Resources

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

OPERATOR'S FINANCIAL ASSURANCE SUMMARY (Slide 1 of 1)





COLORADO Oil & Gas Conservation Commission Department of Natural Resources

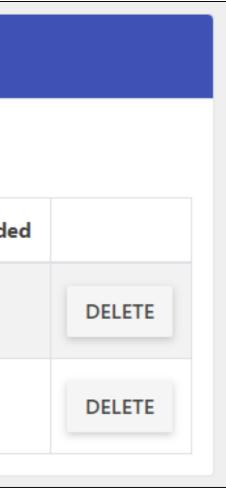
Autopopulated & Auto-calculated from the form.

ATTACHMENTS (Slide 1 of 2)

Attachments						
UPL	.OAD Delete Selected Refresh					
	Attachment Name	File Name	Confidential	Date Upload		
	ASSET RETIREMENT PLANNING	Testing Forms Attachment.pdf File uploaded successfully!		8/29/2022		
	CERTIFICATION OF FINANCIAL CAPABILITY	Testing Forms Attachment.pdf File uploaded successfully!		8/29/2022		

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

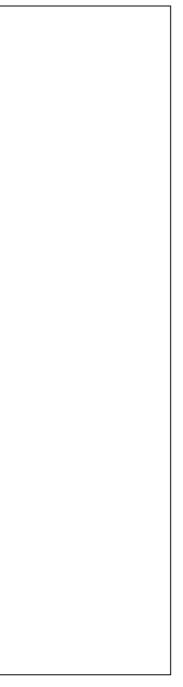


Getting Ready for September 15th (Slide 1 of 2)

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





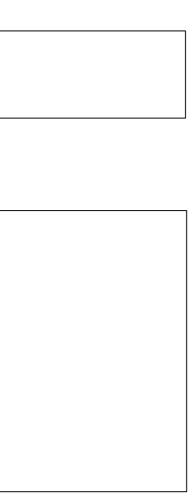
Option 3 & 4 Operators

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





FHANKS!!!

Any Questions?

Visit Us On the Web colorado.gov/cogcc



COLORADO Oil & Gas Conservation Commission

Department of Natural Resources

