

Financial Assurance Rules Implementation

Operator Meeting

May 18, 2022

(Revised May 20 – Corrections & Additional Slides)

MEETING TOPICS

1. New Abbreviations & Terminology (Slide 3)
2. Production for “Previous 12 Months” (Slides 4 – 8)
3. Production Calculations (Slides 9 - 20)
4. Well Designations (Slides 21 - 28)
5. Current Release Schedule for New & Revised Forms (Slide 29)
6. Form 2 Revisions (Slide 30)
7. Form 2A Revisions (Slide 31)
8. Form 4 Revisions (Slide 32)
9. Form 9 Revisions (Slide 33 & 34)
10. Form 27 Revisions (Slide 35)
11. New Form 1B (Slides 36 - 40)
12. New Form 5B (Slide 41)
13. New Form 5C (Slide 42)
14. New Form 6A (Slides 43 - 45)
15. Federal & Tribal Wells (Slide 46)
16. Some Questions (Slides 47 & 48)

1. New Abbreviations & Terminology

Abbreviations

FA = Financial Assurance

SWFA = Single Well Financial Assurance

BOE = Barrels of oil Equivalent

MCFE = MCG Gas Equivalent

GOR = Gas to Oil Ratio

Terminology

1. Financial Assurance Coverage:
 - Comprehensive Blanket – Option 6
 - Per-Well “Blanket” – Options 1 & 2
 - Single Well Financial Assurance – Calculated costs to plug a Well and to reclaim the Location
 - “Other” Financial Assurance – An specified amount of FA for a transferred Well or an Out of Service Well or a Low Producing Well
2. Operator’s Demonstrated Costs: An Operator’s costs to plug a Well and to reclaim a Location to be used to calculate SWFA.
3. **GOR Determination**: Use the GOR to determine which thresholds – BOE or MCFE - apply to a particular Well or Operator.
 - $GOR \leq 15,000 = BOE$
 - $GOR > 15,000 = MCFE$

2. Production for “Previous 12 Months” (1 of 5)

Production for “Previous 12 Months”

- **Critical new component of the rules**
- Low Producing Well Definition
- Operator’s Production Calculations for Financial Assurance Plan Options

2. Production for “Previous 12 Months” (2 of 5)

This is the month of May.

The previous 12 months on the calendar are:

1. April 2022
2. March 2022
3. February 2022
4. January 2022
5. December 2021
6. November 2021
7. October 2021
8. September 2021
9. August 2021
10. July 2021
11. June 2021
12. May 2021

2. Production for “Previous 12 Months” (3 of 5)

The new rules use the monthly PRODUCTION VOLUMES for the “Previous 12 Months”.

The monthly production volumes are not available in the COGCC database until the monthly Form 7s have been:

- Submitted by the Operator
- Approved by Staff

Submitted by the Operator

- Rule 413 requires the Form 7 to be filed within 45 days after the end of the month being reported.

Approved by Staff

- COGCC Production Group Staff approves Form 7s within 30 days after receipt.
- Approval of Form 7s that have issues takes longer.

Reported monthly production volumes are available in the COGCC database approximately 75 days (2 ½ months) after the end of the reported month.

- COGCC designations & production calculations will only include reports starting a full 3 months ago to accommodate the slightly longer approval times for some reports.

2. Production for “Previous 12 Months” (4 of 5)

This is the month of May.

The statuses of the monthly production reports for the previous 12 months (on the calendar) are:

1. April 2022 – ***not submitted yet (due June 15)***
2. March 2022 – ***not approved yet (due May 15, then staff will review)***
3. February 2022 – ***not approved yet (were due April 15, staff still reviewing in most of May)***
4. January 2022 - approved
5. December 2021 - approved
6. November 2021 - approved
7. October 2021 - approved
8. September 2021 - approved
9. August 2021 - approved
10. July 2021 - approved
11. June 2021 - approved
12. May 2021 - approved

2. Production for “Previous 12 Months” (5 of 5)

This is the month of May.

The most recent approved monthly production reports available in the COGCC database are for January 2022.

The “previous 12 months” of monthly production reports are:

1. January 2022
2. December 2021
3. November 2021
4. October 2021
5. September 2021
6. August 2021
7. July 2021
8. June 2021
9. May 2021
10. April 2021
11. March 2021
12. February 2021



BOE/MCFE/GOR Calculations Production for Previous 12 Months	
February 2021 - January 2022	
Total Oil Produced (Barrels)	203
Total Gas Produced (MCF)	469
GOR	2310
GOR Determination	BOE
Total Production in BOE	284
Total Production in MCFE	1646
Average BOE per Day	0.778
Average MCFE per Day	4.510

3. Production Calculations (1 of 12)

For Every Well

- Previous 12 Months Production Calculations - on the Scout Card
- Monthly Production Calculations - from the Scout Card

For Every Operator

- Previous 12 Months Production Calculations
- Previous Calendar Year Production Calculations
- *A new “Operator Production Calculations Report” will be on the website soon.*

3. Production Calculations (2 of 12)

For Every Well - What are the Well Production Calculations?

1. GOR: Gas to Oil Ratio
2. GOR Determination:
 - a. BOE if the GOR is $\leq 15,000$ or if no gas is produced
 - b. MCFE if the GOR is $> 15,000$ or if no oil is produced
3. BOE
 - a. Barrels of Oil Equivalent
 - b. Conversion Formula is: (Sum of monthly gas production / 5.8) + Sum of monthly oil production
4. MCFE
 - a. MCF of Gas Equivalent
 - b. Conversion Formula is: (Sum of monthly oil production x 5.8) + Sum of monthly gas production
5. Average Daily Production by Month
 - a. In BOE
 - b. In MCFE
6. Average Daily Production for Previous 12 Months
 - a. In BOE
 - b. In MCFE

3. Production Calculations (3 of 12)

For Every Well - Why do we need the Well Production Calculations?

1. GOR: for the GOR Determination
2. GOR Determination: Which thresholds (BOE or MCFE) should be used for the Well's production.
 - Is it an Oil Well or a Gas Well?
3. BOE: Well's production volume converted to BOE for threshold.
4. MCFE: Well's production volume converted to MCFE for threshold.
5. Average Daily Production by Month: Calculate Average Daily Production for Previous 12 Months
6. **Average Daily Production for Previous 12 Months: Low Producing Definition (100 Series Rules)**

LOW PRODUCING WELL means an oil or gas Well that **produces a daily average** of less than 2 barrels of oil equivalent ("BOE") or 10 thousand cubic feet of natural gas equivalent ("MCFE") of gas over the previous 12 months. An Inactive Well is also a Low Producing Well. For purposes of this definition, BOE applies to Wells with a gas-to-oil ratio ("GOR") equal to or less than 15,000 standard cubic feet ("SCF")/barrels of oil ("BBL") and MCFE applies to Wells with a GOR greater than 15,000 SCF/BBL. GOR is calculated by dividing the Well's gas production (in thousand cubic feet ("MCF")) over the previous 12 months by the Well's oil production (in BBL) over the previous 12 months and multiplying by 1,000. Operators will use the conversion factor of 5.8 to convert MCF to BBL and vice versa.

3. Production Calculations (4 of 12)

For Every Well – Previous 12 Months Production Calculations – On the Scout Card

COGIS - WELL INFORMATION

Scout Card

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Surface Location Data for API # 05-123-25698

Well Classification: OW

Status: PR - 3/1/2022

Well Name/No: [SANFORD #13-6](#) (click well name For production)

[Click Here for Transporter Gatherer Info](#)

Operator: KERR MCGEE OIL & GAS ONSHORE LP - 47120

Federal Or State Lease #:

Facility Status: PR

Status Date: 3/1/2022

FacilityID: 295271

LocationID: 309986

County: WELD #123

Location: NWSW 6 3N67W 6

Field: WATTENBERG - #90750

Elevation: 4902 ft.

Planned Location: 1968FSL 725 FWL

Lat/Long: 40.253660 / -104.939140 Lat/Long Source: Field Measured

As Drilled Location: Footages Not Available

Lat/Long: 40.253650 / -104.939130 Lat/Long Source: Field Measured

Wellbore and Formation Details -- select either a wellbore or formation to expand.

Expand Section

Wellbore #00 Status: PR - 3/1/2022 Measured TD: 7386 ft.

Formation CODL Status: PR - 3/1/2022 Log Top: 7246 ft. Interval Bottom: 7265 ft.

Well Designation		<i>i</i>
Designations		Date
Defined Inactive	N	
Noticed Inactive	N	
Inactive Exception	N	
Low Producing	Y	02/2021 - 01/2022
Out Of Service	N	
Out Of Service Repurposed	N	

BOE/MCFE/GOR Calculations Production for Previous 12 Months

February 2021 - January 2022		<i>i</i>
Total Oil Produced (Barrels)	203	
Total Gas Produced (MCF)	469	
GOR	2310	
GOR Determination	BOE	
Total Production in BOE	284	
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Average BOE per Day	0.778	
Average MCFE per Day	4.510	

3. Production Calculations (5 of 12)

For Every Well
Previous 12 Months
Production Calculations
 On the Scout Card

Click the “*i*” for Explanations

BOE/MCFE/GOR Calculations Production for Previous 12 Months

February 2021 - January 2022

i

Total Oil Produced (Barrels)	203
Total Gas Produced (MCF)	469
GOR	2310
GOR Determination	BOE
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Average BOE per Day	0.778
Average MCFE per Day	4.510

BOE/MCFE/GOR Calculations

*Annual production for 12 month range beginning 15 months ago

Total Oil Produced (Barrels)	Sum of annual oil production (by API including all associated formation and wellbore completions)
Total Gas Produced (MCF)	Sum of annual gas production (by API including all associated formation and wellbore completions)
GOR	Gas-to-Oil Ratio (Sum of annual gas production x 1000) / Sum of annual oil production If no oil is produced, there is no GOR. If no gas is produced, there is no GOR.
GOR Determination	BOE if GOR < or = 15,000 BOE if no gas is produced MCFE if GOR > 15,000 MCFE if no oil is produced

Total Production in BOE	(Sum of annual gas production / 5.8) + Sum of annual oil production
Total Production in MCFE	(Sum of annual oil production x 5.8) + Sum of annual gas production
Average BOE per Day	Sum of Monthly BOE Per Day / 12
Average MCFE per Day	Sum of Monthly MCFE Per Day / 12

3. Production Calculations (6 of 12)

For Every Well – Monthly Production Calculations – From the Scout Card

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Surface Location Data for API # 05-123-25698

Well Classification: OW

Status: PR - 3/1/2022

Well Name/No: [SANFORD #13-6](#) (click well name For production)

[Click Here for Transporter Gatherer Info](#)

Operator: KERR MCGEE OIL & GAS ONSHORE LP - 47120

Federal Or State Lease #:

Facility Status: PR

Status Date: 3/1/2022

FacilityID: 295271

LocationID: 309986

County: WELD #123

Location: NWSW 6 3N67W 6

Field: WATTENBERG - #90750

Elevation: 4902 ft.

Planned Location: 1968FSL 725 FWL

Lat/Long: 40.253660 / -104.939140 Lat/Long Source: Field Measured

As Drilled Location: Footages Not Available

Lat/Long: 40.253650 / -104.939130 Lat/Long Source: Field Measured

Wellbore and Formation Details -- select either a wellbore or formation to expand.

Expand Section

Wellbore #00 Status: PR - 3/1/2022 Measured TD: 7386 ft.

Formation CODL Status: PR - 3/1/2022 Log Top: 7246 ft. Interval Bottom: 7265 ft.

Well Designation		<i>i</i>
Designations		Date
Defined Inactive	N	
Noticed Inactive	N	
Inactive Exception	N	
Low Producing	Y	02/2021 - 01/2022
Out Of Service	N	
Out Of Service Repurposed	N	

BOE/MCFE/GOR Calculations Production for Previous 12 Months

February 2021 - January 2022		<i>i</i>
Total Oil Produced (Barrels)	203	
Total Gas Produced (MCF)	469	
GOR	2310	
GOR Determination	BOE	
Total Production in BOE	284	
Total Production in MCFE	1646	
Average BOE per Day	0.778	
Average MCFE per Day	4.510	

3. Production Calculations (7 of 12)

For Every Well – **Monthly Production Calculations** – From the Scout Card

Production Data

API #:	Facility Name/Number:	Operator Name:	Operator #:	Location:	Field:	Field Code:
05-123-25698	SANFORD-13-6	KERR MCGEE OIL & GAS ONSHORE LP	47120	NWSW 6 3N 67W 6	WATTENBERG	90750

View BOE/MCFE/GOR Calculations

Export Production to Excel

Close Window

Toggle First of Month column to sort report by date.

<u>First of Month</u>	Days Produced	Well Status	API County	API Sequence	API Sidetrack	Formation	BOM Inventory	Oil Produced	Oil Sold	Oil Adjustment	EOM Inventory	Oil Gravity	Gas Produced	Gas Flared	Gas Used	Gas Shrinkage	Gas Sold	Gas BTU	Gas Tubing Pressure	Gas Casing Pressure	Water Volume	Water Tubing Pressure	Water Casing Pressure
3/1/2022	11	PR	123	25698	00	CODELL	74	8		-1	81		8				8	1276					
2/1/2022	0	SI	123	25698	00	CODELL	74				74												
1/1/2022	8	PR	123	25698	00	CODELL	73			1	74		20				20	1277					
12/1/2021	7	PR	123	25698	00	CODELL	54	19			73		37				37	1276					

New Calculations Button

View BOE/MCFE/GOR Calculations

3. Production Calculations (8 of 12)

For Every Well – Monthly Production Calculations – From the Scout Card

Explanations

Production Calculations: BOE/MCFE/GOR

API #:	Facility Name/Number:	Operator Name:	Operator #:	Location:	Field:	Field Code:
05-123-25698	SANFORD-13-6	KERR MCGEE OIL & GAS ONSHORE LP	47120	NWSW 6 3N 67W 6	WATTENBERG	90750

Export Report to Excel

Close Window

Oil Produced	Sum of monthly oil production (by API including all associated formation and wellbore completions)	Production in BOE	(Sum of monthly gas production / 5.8) + Sum of monthly oil production
Gas Produced	Sum of monthly gas production (by API including all associated formation and wellbore completions)	Production in MCFE	(Sum of monthly oil production × 5.8) + Sum of monthly gas production
GOR	Gas-to-Oil Ratio (Sum of monthly gas production × 1000) / Sum of monthly oil production If no oil is produced, there is no GOR. If no gas is produced, there is no GOR.	BOE Per Day	(Sum of monthly gas production / 5.8 + Sum of monthly oil production) / Days In Month
GOR Determination	BOE if GOR < or = 15,000 BOE if no gas is produced MCFE if GOR > 15,000 MCFE if no oil is produced	MCFE Per Day	(Sum of monthly oil production × 5.8 + Sum of monthly gas production) / Days In Month

Toggle month/year column to sort report by date.

Month/Year	Days In Month	Oil Produced	Gas Produced	GOR	GOR Determination	BOE	MCFE	BOE Per Day	MCFE Per Day
3/2022	31	8	8	1000	BOE	9	54	0.29032258	1.74193548
2/2022	28				BOE				
1/2022	31		20		MCFE	3	20	0.09677419	0.64516129
12/2021	31	19	37	1947	BOE	25	147	0.80645161	4.74193548
11/2021	30	13			BOE	13	75	0.43333333	2.50000000
10/2021	31	8	19	2375	BOE	11	65	0.35483870	2.09677419
9/2021	30	7	13	1857	BOE	9	54	0.30000000	1.80000000

3. Production Calculations (9 of 12)

For Every Operator - **What are the Production Calculations?**

1. Operator's Total Oil Production for Previous 12 Months: Sum of Oil from All Wells
2. Operator's Total Gas Production for Previous 12 Months: Sum of Gas from All Wells
3. Aggregate GOR for Previous 12 Months: (Sum of Gas from All Wells x 1000)/Sum of Oil from All Wells
4. Operator's GOR Determination:
 - a. BOE if the GOR is \leq 15,000 or if no gas is produced
 - b. MCFE if the GOR is $>$ 15,000 or if no oil is produced
5. Operator's Average Daily Per-Well Production for Previous 12 Months
 - a. In BOE or in MCFE per the Operator's Financial Assurance Plan Threshold Equivalency
 - b. Average for all Wells for Previous 12 Months
6. Average Daily Per-Well Production for Calendar Year
 - a. In BOE
 - b. In MCFE

The "Operator Production Calculations Report" will be on the website soon.

3. Production Calculations (10 of 12)

For Every Operator - **Why do we need the Production Calculations?**

1. Operator's Total Oil Production for Previous 12 Months: for Aggregate GOR
2. Operator's Total Gas Production for Previous 12 Months: for Aggregate GOR
3. Aggregate GOR for Previous 12 Months: for Operator's Financial Assurance Plan Threshold Equivalency
 - Is the Operator an Oil Producer or a Gas Producer?
4. Operator's Financial Assurance Plan Threshold Equivalency: for Operator's Average Daily Per-Well Production for Previous 12 Months threshold
5. **Operator's Average Daily Per-Well Production for Previous 12 Months: for Operator's Financial Assurance Plan Option**
6. **Operator's Average Daily Per-Well Production for Previous Calendar Year: for Operator's Annual Per-Well Registration Fee**

3. Production Calculations (11 of 12)

For Every Operator - Operator's Average Daily Per-Well Production for Previous 12 Months

Rule 702.c. (1) – (6)

Financial Assurance Plan Option 1:

The Operator's average daily per-Well production exceeds 60 BOE over the previous 12 months; or
The Operator's average daily per-Well production exceeds 90 MCFE over the previous 12 months.

Financial Assurance Plan Option 2:

The Operator's average daily per-Well production exceeds 15 BOE and is less than or equal to 60 BOE over the previous 12 months; or
The Operator's average daily per-Well production exceeds 22 MCFE and is less than or equal to 90 MCFE over the previous 12 months.

Financial Assurance Plan Option 3:

The Operator's average daily per-Well production exceeds 2 BOE and is less than or equal to 15 BOE over the previous 12 months; or
The Operator's average daily per-Well production exceeds 6 MCFE and is less than or equal to 22 MCFE over the previous 12 months.

Financial Assurance Plan Option 4:

The Operator does not meet the criteria for Options 1, 2, or 6, or reports zero production from its oil or gas Wells during the previous 12 months.

Financial Assurance Plan Option 5:

The operator has individual circumstances.

Financial Assurance Plan Option 6:

The Operator's average daily per-Well production exceeds 40 BOE or 60 MCFE over the previous 12 months, and the Operator is a public company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, 15 U.S.C. § 78a, et seq.; or
The Operator's average daily per-Well production exceeds 60 BOE or 90 MCFE over the previous 12 months, and the Operator is a private company.

3. Production Calculations (12 of 12)

For Every Operator - Operator's Average Daily Per-Well Production for Previous Calendar Year

Rule 205.c.(3).A.

Annual Registration Fee

- \$225 per Well for Operators with an average daily per-Well production greater than 15 BOE or 22 MCFE for the previous calendar year
- \$125 per Well for Operators with an average daily per-Well production less than or equal to 15 BOE or 22 MCFE for the previous calendar year

4. Well Designations (1 of 8)

Well Designations

- **Critical new component of the rules**
- **In *addition* to Well Status**
 1. Defined Inactive
 2. Noticed Inactive
 3. Inactive Exception
 4. Low Producing
 5. Out of Service
 6. Out of Service Repurposed
- **On the Scout Card for Every Well**
- **From the Database for All Wells**

4. Well Designations (2 of 8)

For Every Well – **Well Designations** - on the Scout Card

Click the “*i*” for Explanations

COGIS - WELL INFORMATION

Scout Card

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Surface Location Data for API # 05-103-40358

[Well Classification: DA](#)

[Status: TA - 8/8/1958](#)

[Well Name/No:](#) [HUSKY OIL CO #5](#) (click well name For production)

[Click Here for Transporter Gatherer Info](#)

[Operator:](#) HUSKY OIL CO - 42600

Federal Or State Lease #:

Facility Status: TA

Status Date: 8/8/1958

FacilityID: 89418

LocationID: 399056

Municipality/County: RANGELY / RIO BLANCO #103

Location: SWSE 6 1N101W 6

Field: RANGELY - #72370

Elevation: Unknown

Planned Location: 150ESI 1780 FFI

Lat/Long: 40.078126 / -108.769622 Lat/Long Source: Calculated From Footages

Well Designation *i*

Designations		Date
Defined Inactive (TA)	Y	
Noticed Inactive	N	
Inactive Exception	N	
Low Producing	Y	02/2021 - 01/2022
Out Of Service	N	
Out Of Service Repurposed	N	

4. Well Designations (3 of 8)

For Every Well – **Well Designations** - from the Scout Card

Explanations

Well Designations

***Guidance Disclaimer**
The definitions set out in this document are intended solely as guidance. This document does not contain rules or otherwise binding requirements. These definitions are taken from the COGCC Draft Financial Assurance Rules Dated 03/01/2022 under Definitions - 100 Series. Please download the [latest rules](#) to make sure you have the most updated data.

Defined Inactive:
The Well meets one of the criteria in the COGCC Rules 100 Series Definition of Inactive Well.
(See Rule 434.c.(2).B.)

INACTIVE WELL means:

- a. An oil or gas Well that has been shut-in and has not produced for a period of 12 consecutive months; or
- b. An oil or gas Well that has been temporarily abandoned for a period of 6 consecutive months; or
- c. A Class II UIC Well which has not been utilized for a period of 12 consecutive months; or
- d. A Suspended Operations Well or a Waiting on Completion Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months.

e. An Inactive Well does not mean:

- (1) An oil Or gas Well that is completed For fewer than 12 months;
- (2) A Class II UIC Well that is completed for fewer than 12 months;
- (3) A Well used for the purpose of monitoring or observing an oil or gas reservoir, or a Stratigraphic Well.

A coalbed methane Well that produces only water, resulting in gas production in offset Gas Wells, is considered producing for purposes of this definition.

NOTES:
The criteria the Well meets is identified by the status code or well type in parentheses:

- a. The shut-in criteria is SI.
- b. The temporarily abandoned criteria is TA.
- c. The UIC Well criteria is UIC.
- d. The Suspended Operations criteria is SO.
- e. The Waiting on Completion criteria is WO.

The designation effective date is the date the Well met the criteria.

Noticed Inactive (See Rule 434.c.(1).B. & Rule 434.c.(2).A.)
A Form 5B, Inactive Well Notice has been submitted and approved for the Inactive Well.
If required, Single Well Financial Assurance has been provided.
The designation effective date is the Form 5B approval date.

Inactive Exception (See Rule 434.c.(2).C.)
A Form 5C, Inactive Exception Request has been submitted and approved for the Well.
The exception was requested And granted for good cause.
The designation effective date is the Form 5C approval date.

Low Producing: The Well meets the criteria in the COGCC Rules 100 Series Definition of Low Producing Well.

LOW PRODUCING WELL means an oil or gas Well that produces a daily average of less than 2 barrels of oil equivalent ("BOE") or 10 thousand cubic feet of natural gas equivalent ("MCFE") of gas over the previous 12 months. An Inactive Well is also a Low Producing Well. For purposes of this definition, BOE applies to Wells with a gas-to-oil ratio ("GOR") equal to Or less than 15,000 standard cubic feet ("SCF")/barrels of oil ("BBL") And MCFE applies to Wells with a GOR greater than 15,000 SCF/BBL. GOR is calculated by dividing the Well's gas production (in thousand cubic feet ("MCF")) over the previous 12 months by the Well's oil production (in BBL) over the previous 12 months and multiplying by 1,000. Operators will use the conversion factor of 5.8 to convert MCF to BBL And vice versa.

- a. A Low Producing Well does not mean a Class II UIC Well that is not an Inactive Well.
- b. A Low Producing Well does not mean a Well used for the purpose of monitoring or observing an oil or gas reservoir, or a Stratigraphic Well.

Notes:
For accuracy, these Wells are not designated as Low Producing:


- (1) An oil or gas Well that is completed for fewer than 12 months
- (2) A Class II UIC Well that is completed for fewer than 12 months

The designation effective date is the date the Well met the criteria.

Out of Service (See Rule 434.d.)
A Form 6A, Out of Service Designation has been submitted for the Well.
The plugging due date is assigned per Rules 434.d.(4).B & C.
The designation effective date is the Form 6A submit date.

Out of Service Repurposed (See Rule 434.d.(9).B.)
After the Well has been designated as Out of Service, a Revised Form 6A, Repurpose has been submitted and approved for the Well.
The Well is repurposed for beneficial use other than hydrocarbon production.
The designation effective date is the Revised Form 6A, Repurpose approval date.

[Close Window](#)



4. Well Designations (4 of 8)

For Every Well – **Well Designations** - from the Scout Card

Explanations

Defined Inactive:

The Well meets one of the criteria in the COGCC Rules 100 Series Definition of Inactive Well.

(See Rule 434.c.(2).B.)

INACTIVE WELL means:

- a. An oil or gas Well that has been shut-in and has not produced for a period of 12 consecutive months; or
- b. An oil or gas Well that has been temporarily abandoned for a period of 6 consecutive months; or
- c. A Class II UIC Well which has not been utilized for a period of 12 consecutive months; or
- d. A Suspended Operations Well or a Waiting on Completion Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months.
- e. An Inactive Well does not mean:
 - (1) An oil Or gas Well that Is completed For fewer than 12 months;
 - (2) A Class II UIC Well that is completed for fewer than 12 months;
 - (3) A Well used for the purpose of monitoring or observing an oil or gas reservoir, or a Stratigraphic Well.

A coalbed methane Well that produces only water, resulting in gas production in offset Gas Wells, is considered producing for purposes of this definition.

NOTES:

The criteria the Well meets is identified by the status code or well type in parentheses:

- a. The shut-in criteria Is SI.
- b. The temporarily abandoned criteria Is TA.
- c. The UIC Well criteria Is UIC.
- d. The Suspended Operations criteria Is SO.
- e. The Waiting on Completion criteria Is WO.

The designation effective date is the date the Well met the criteria.

Well Designation <i>i</i>	
Designations	Date
Defined Inactive (TA)	Y
Noticed Inactive	N
Inactive Exception	N
Low Producing	Y 02/2021 - 01/2022
Out Of Service	N
Out Of Service Repurposed	N

4. Well Designations (5 of 8)

For Every Well – **Well Designations** - from the Scout Card

Explanations

Noticed Inactive (See Rule 434.c.(1).B. & Rule 434.c.(2).A.)

A Form 5B, Inactive Well Notice has been submitted and approved for the Inactive Well.

If required, Single Well Financial Assurance has been provided.

The designation effective date is the Form 5B approval date.

Inactive Exception (See Rule 434.c.(2).C.)

A Form 5C, Inactive Exception Request has been submitted and approved for the Well.

The exception was requested And granted for good cause.

The designation effective date Is the Form 5C approval date.

4. Well Designations (6 of 8)

For Every Well – **Well Designations** - from the Scout Card

Explanations

Low Producing: The Well meets the criteria in the COGCC Rules 100 Series Definition of Low Producing Well.

LOW PRODUCING WELL means an oil or gas Well that produces a daily average of less than 2 barrels of oil equivalent ("BOE") or 10 thousand cubic feet of natural gas equivalent ("MCFE") of gas over the previous 12 months. An Inactive Well Is also a Low Producing Well. For purposes of this definition, BOE applies to Wells with a gas-to-oil ratio ("GOR") equal to Or less than 15,000 standard cubic feet ("SCF")/barrels of oil ("BBL") And MCFE applies to Wells with a GOR greater than 15,000 SCF/BBL. GOR Is calculated by dividing the Well's gas production (in thousand cubic feet ("MCF")) over the previous 12 months by the Well's oil production (in BBL) over the previous 12 months and multiplying by 1,000. Operators will use the conversion factor of 5.8 to convert MCF to BBL And vice versa.

- a. A Low Producing Well does not mean a Class II UIC Well that is not an Inactive Well.
- b. A Low Producing Well does not mean a Well used for the purpose of monitoring or observing an oil or gas reservoir, or a Stratigraphic Well.

Notes:

For accuracy, these Wells are not designated as Low Producing:

- (1) An oil or gas Well that is completed for fewer than 12 months
- (2) A Class II UIC Well that is completed for fewer than 12 months

The designation effective date is the date the Well met the criteria.

4. Well Designations (7 of 8)

For Every Well – **Well Designations** - from the Scout Card

Explanations

Out of Service (See Rule 434.d.)

A Form 6A, Out of Service Designation has been submitted for the Well.

The plugging due date is assigned per Rules 434.d.(4).B & C.

The designation effective date is the Form 6A submit date.

Out of Service Repurposed (See Rule 434.d.(9).B.)

After the Well has been designated as Out of Service, a Revised Form 6A, Repurpose has been submitted and approved for the Well.

The Well is repurposed for beneficial use other than hydrocarbon production.

The designation effective date is the Revised Form 6A, Repurpose approval date.

4. Well Designations (8 of 8)

For Every Well – **Well Designations** - from the Database

COGIS - Facility Inquiry

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
CL - CLOSED
CM - COMMINGLED
DA - DRY AND ABANDONED

Well Designation:

Reset

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

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:

100 Records



Caution: COGIS contains hundreds of thousands of facility records!

Submit

Reset

5. Current Release Schedule - New & Revised Forms (subject to change)

June 1:

- New Form 1B – Annual Registration
- New Form 5B – Inactive Well Notice
- New Form 5C – Inactive Exception
- New Form 6A – Out of Service Designation
- Revised Form 2 – Application for Permit to Drill
- Revised Form 2A – Oil and Gas Location Assessment
- Revised Form 4 – Sundry Notice
- Revised Form 9 - Transfer of Operatorship
- Revised Form 27 – Site Investigation and Remediation Workplan

June 15:

- New Form 3 – Financial Assurance Plan (Initial)

July 15:

- New Form 3A – Financial Assurance

August:

- New Form 3 - Financial Assurance Plan (Revised)
- New Form 6B – Out of Service Well Report

6. Revisions: Form 2 – Application for Permit to Drill (1 of 1)

2 New Checkboxes and a New Data Field

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

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

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 Rule 702.a.)

Amount of Federal Financial Assurance: \$

New Amounts in Drop Down

Surface Owner Protection Financial Assurance (if applicable):

- N/A
- \$4,000
- \$10,000
- Blanket

Surety ID Number (if applicable):

7. Revisions: Form 2A – Oil & Gas Location Assessment (1 of 1)

Revised Layout and 2 New Checkboxes and 2 New Data Fields

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

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 one or more Wells on this Location.

Amount of Federal Financial Assurance: \$



8. Revisions: Form 4 – Sundry Notice (1 of 1)

2 New Checkboxes

~~ENGINEERING AND ENVIRONMENTAL WORK~~

TEMPORARY ABANDONMENT

~~NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS~~

~~Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below required by Rule 319.b.(3).~~

The notice of “**continued**” TA status has been removed from the rules.

REPORT OF TEMPORARY ABANDONMENT

Describe the method used to ensure that the Well is closed to the atmosphere and the Operator’s plans for future operation of the Well in the COMMENTS box below as required by Rule 434.b.(1).

REQUEST FOR TEMPORARY ABANDONMENT EXCEEDING 6 MONTHS

State the reason for the extension request and explain the Operator’s plans for future operation of the Well in the COMMENTS box below as required by Rule 434.b.(3).

Date well temporarily abandoned

MM/DD/YYYY



Has Production equipment been removed from site

Mechanical Integrity Test (MIT) required. Date of last MIT

MM/DD/YYYY



TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

9. Revisions: Form 9 - Transfer of Operatorship (1 of 2)

New Tab for Location Information: Low Producing & Inactive Wells

Low Producing & Inactive Wells Proposed for Transfer - Location Information Summary

Cut and Fill Slopes

Within 2000' of a School Facility

Within 2000' of a Residential Building Unit within a Disproportionately Impacted Community

Sandy Soils

Within 2000' of a Child Care Center

Within High Priority Habitat

Salt Kills

Within 2000' of a High Occupancy Building Unit

Topsoil has been Salvaged

Total Locations

[Download Template - LP & Inactive Wells Proposed – Location Info](#)

[Import Data](#)

[View LP & Inactive Wells Proposed – Location Info](#)

[Clear All Data](#)

9. Revisions: Form 9 - Transfer of Operatorship (2 of 2)

Template for Location Information: Low Producing & Inactive Wells

Low Producing & Inactive Wells Proposed for Transfer - Loc Info													
Item #	Location ID#	Location Name	Location Num	Area of initial total disturbance	Total Number of Wells on the Location	Number of Wells proposed for transfer	Number of Low Producing Wells	Number of Inactive Wells	cut-and-fill slopes? (Y/N)	slope ratio of the cut slope	slope ratio of the fill slope	sandy soils? (Y/N)	salt kills ? (Y/N)

within 2000' of a School Facility? (Y/N)	within 2000' of a Child Care Center? (Y/N)	within 2000' of a High Occupancy Building Unit? (Y/N)	within 2000' of a Residential Building Unit within a Disproportionately Impacted Community? (Y/N)	within High Priority Habitat? (Y/N)	topsoil has been salvaged ? (Y/N)
--	--	---	---	-------------------------------------	-----------------------------------

10. Revisions: Form 27 - Site Investigation and Remediation Workplan (1 of 1)

2 New Data Fields

Adequacy of Operator's General Liability Insurance and Financial Assurance

Describe the adequacy of the Operator's general liability insurance and Financial Assurance to fully address the anticipated costs of Remediation, including the estimated remaining cost for this project (below).
If this information has been provided on a Form 27 within the last 12 months, provide the Document Number of that form.

Operator anticipates the remaining cost for this project to be: \$

11. New Form 1B - Annual Registration (1 of 5)

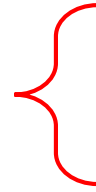
Wells Operated on December 31 of the Previous Year

Auto-populated

Well List					
EXPORT TO EXCEL		EXPORT TO PDF		Search...	
API #	Well Name	Well Number	Status on December 31, 2021		
05-123-45678	That well over by the stick	3382	Active		
05-123-45678	That other well	5828	Domestic		
05-123-45678	That well	6838	Domestic		
05-123-45678	Maybe a well	6458	Domestic		
05-123-45678	Probably a well	6458	Producing		
05-123-45678	Test Well 1	6458	Producing		
05-123-45678	Test Well 2	6458	Producing		
05-123-45678	Test Well 3	6458	Producing		
05-123-45678	Test Well 4	6458	Producing		
05-123-45678	Test Well 5	6458	Producing		
05-123-45678	Test Well 6	6458	Producing		
05-123-45678	Test Well 7	6458	Producing		
05-123-45678	Test Well 8	6458	Producing		
05-123-45678	Test Well 9	6458	Producing		
05-123-45678	Test Well 10	6458	Producing		

11. New Form 1B - Annual Registration (2 of 5)

Operator Provides



Auto-populated
&
Auto Calculated

Annual Registration Fee

Annual Registration Fee for Calendar Year

2021

Operator's Aggregate GOR for Calendar Year:

Operator's Average Daily per-Well Production for Calendar Year:

in

Operator's per-Well Fee for Calendar Year:

\$0

Number of Wells by Status as of December 31 of Calendar Year

Well Status	Number
Active	1
Domestic	3
Drilling	0
Injecting	0
Producing	501
Shut In	0
Suspended Operations	0
Temporarily Abandoned	0
Waiting on Completion	0

TOTAL Number of Wells subject to the Annual Registration Fee:

505

Annual Registration Fee:

\$0

11. New Form 1B - Annual Registration (3 of 5)

Auto-populated
&
Auto Calculated

Notice of Insurance Renewals and Changes

Liability Insurance Information in COGCC Records:

Not in Effect	Producer	Insurer	Type of Liability Insurance	Policy Number	Each Occurrence Limit	Effective Date	Expiration Date
<input type="checkbox"/>	Test Producer	Hammer of Law	General	M-338	\$2,500,000	01/01/2022	01/06/2024
<input type="checkbox"/>	Test Producer	Guarantee of Trust	Excess	T-833	\$1,500,000	01/01/2022	03/12/2025
<input type="checkbox"/>	Test Producer	Mutual of Testing	Umbrella	R-708	\$5,000,000	01/01/2022	07/01/2027

Total Liability Insurance Amount:

\$9,000,000

11. New Form 1B - Annual Registration (4 of 5)

Operator Provides

Add Liability Insurance Information ✕

Producer:	<input type="text"/>
Insurer:	<input type="text"/>
Type of Liability Insurance	<input type="text" value="- Select -"/>
Policy Number:	<input type="text"/>
Each Occurrence Limit (\$):	<input type="text"/>
Effective Date:	<input type="text" value="mm/dd/yyyy"/> <input type="checkbox"/>
Expiration Date:	<input type="text" value="mm/dd/yyyy"/> <input type="checkbox"/>

[CANCEL](#) [ADD INSURANCE TO FORM](#)

11. New Form 1B - Annual Registration (5 of 5)

Operator Completes

Were there any renewals or changes to liability insurance during the previous 12 months?

Yes



Updated Liability Insurance Information:

ADD INSURANCE

No records. Click "Add Insurance" button above

- In checking this box the Operator certifies all effective liability insurance policies listed above provide coverage for property damage, bodily injury to third parties, and sudden or accidental pollution that requires Remediation, with no exclusion for claims arising from operator-caused seismicity from oil or gas Wells. (Per rule 705.a.)
- In checking this box the Operator certifies all effective liability insurance policies listed above include the Commission as a "scheduled person or organization" so that the Commission may receive advance notice of cancellation. (Per rule 705.b.)

A Certificate of Insurance must be attached for each updated policy listed.

Please upload the Certificate of Insurance for each updated policy listed above.*

SELECT FILES...

Drop files here to upload

*Maximum allowed file size is **10 MB**.*

Describe renewals or changes to liability insurance during the previous 12 months:

12. New Form 5B – Inactive Well Notice (1 of 1)

INACTIVE WELL NOTICE

- An oil or gas Well that has been shut-in and has not produced for a period of 12 consecutive months
- An oil or gas Well that has been temporarily abandoned for a period of 6 consecutive months
- A Class II UIC Well which has not been utilized for a period of 12 consecutive months
- A Suspended Operations Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months
- A Waiting on Completion Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months

Auto-populated

Provide the reason why this Well is Inactive.

|

Operator's current Financial Assurance Option:

Commission Order Number for the Operator's most recently approved Financial Assurance Plan:

Document Number of the Operator's most recently approved Financial Assurance Plan (Form 3):

Current Financial Assurance for this Well:

Does the Operator's current Financial Assurance Plan require additional or different Financial Assurance for this Well?

If "YES" enter the Document Number of the Form 3A on the Related Forms Tab.

13. New Form 5C - Inactive Exception Request (1 of 1)

INACTIVE EXCEPTION REQUEST

Inactive Well criteria used to designate this Well as Inactive:

- An oil or gas Well that has been shut-in and has not produced for a period of 12 consecutive months
- An oil or gas Well that has been temporarily abandoned for a period of 6 consecutive months
- A Class II UIC Well which has not been utilized for a period of 12 consecutive months
- A Suspended Operations Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months
- A Waiting on Completion Well with no activity other than monthly Bradenhead monitoring for more than 24 consecutive months

Auto-populated

Provide a detailed demonstration that the Well is not properly designated as Inactive. (If additional information is necessary for this demonstration, please include an attachment.)

14. New Form 6A – Out of Service Designation (1 of 3)

CAUTION - NOT TESTED!!

WELL PLUGGING DATA

The number of Wells the Operator has plugged in the previous 12 months:

1244

Auto-populated

EVIDENCE OF FINANCIAL CAPABILITY

Provide evidence that the Operator is financially capable of meeting the timelines required by Rule 434.d.(4) for its Plugging List. (If this space is inadequate, provide as an attachment.)

evidence of financial capability

CAUTION - NOT TESTED!!

14. New Form 6A – Out of Service Designation (2 of 3)

CAUTION - NOT TESTED!!

OUT OF SERVICE DESIGNATION

Summary of Wells to be Designated as Out of Service and placed on the Operator's Plugging List

Within 2000' of a School Facility	<input type="text" value="0"/>	Within 2000' of a Residential Building Unit within a Disproportionately Impacted Community	<input type="text" value="0"/>
Within 2000' of a Child Care Center	<input type="text" value="0"/>	Within High Priority Habitat	<input type="text" value="0"/>
Within 2000' of a High Occupancy Building Unit	<input type="text" value="0"/>	Detected Leak on Operator's CDPHE/AQCC Reg 7 Delayed Repair List	<input type="text" value="0"/>
TOTAL NUMBER OF WELLS	<input type="text" value="0"/>	Valid #	<input type="text" value="0"/>
		Invalid #	<input type="text" value="0"/>

[Download Template - Wells to be Designated as Out of Service](#) [Import Data](#)

[View - Wells to be Designated as Out of Service](#) [Clear All Data](#)

CAUTION - NOT TESTED!!

14. New Form 6A – Out of Service Designation (3 of 3)

CAUTION - NOT TESTED!!

[Download Template - Wells to be Designated as Out of Service](#)

Wells to be Designated as Out of Service									
API Number (123-12345)	Well Name	Well Number	Date Ceased Production or Utilization (MM/DD/YYYY)	Within 2000' of a School Facility? (Yes/No)	Within 2000' of a Child Care Center? (Yes/No)	Within 2000' of a High Occupancy Building Unit? (Yes/No)	Within 2000' of a Residential Building Unit within a Disproportionately Impacted Community? (Yes/No)	Within High Priority Habitat? (Yes/No)	Detected Leak on Operator's CDPHE/AQCC Reg 7 Delayed Repair List? (Yes/No)

CAUTION - NOT TESTED!!

15. Federal & Tribal Wells

Federal Wells

1. Federal Wells are Wells for which the operator has provided or will provide Financial Assurance to the federal government.
2. No COGCC Financial Assurance is required for federal Wells until October 2023.
3. On the Form 3, Financial Assurance Plan the Operator will identify their Federal Wells.
4. On the Form 3, Financial Assurance Plan the Operator will provide the amount of federal Financial Assurance for each of their federal Wells.
5. Production from federal Wells is included in the Operator's Previous 12 Months Production Calculations.
6. Federal Wells are included in the number of operated Wells.

Tribal Wells

1. Tribal wells are wells with Indian Minerals or Indian Surface.
2. No COGCC Financial Assurance is required for tribal Wells.
3. Production from tribal Wells is included in the Operator's Previous 12 Months Production Calculations.
4. Tribal Wells are included in the number of operated Wells.

16. Some Questions

1. Do you anticipate a Director's Recommendation on FA plans that required a Commission Hearing?
 - Refer to Rule 702.e.(2). A Director's recommendation is required.
2. Will the COGCC be creating a template for the "Certification of Financial Capability" document?
 - There will be guidance but not a template.
3. The rules for Financial Assurance Plans that the operator lists the number of wells P&A'd "during each of the previous three years." Is this previous calendar years? Or is this intended to be the three previous years "as of the date" the FA plan is submitted?
 - The Form 3 will autopopulate the number of Wells the Operator has plugged to-date in the current calendar year and in each of the previous 3 calendar years.
4. Will there be a Guidance Document on the content required in asset retirement plans?
 - Yes
5. Is there a definition for "Contributed Financial Assurance" used with respect to Option 3 and 4 operators?
 - "Contributed Financial Assurance" is not a defined term. It refers to the feature of Options 3 & 4 that allows the operator to contribute a set amount of Financial Assurance annually until they have reached their required total Financial Assurance. See Rules 702.c.(3) & (4).
6. When operators are calculating their blanket financial assurance dollar figure per well, should they exclude their excess Low Producing wells for which Single Well FA is required?
 - No. For Rules 702.d.(1).B.i. & 702.d.(2).B.i., the Wells an Operator "operates" includes all Wells except PA, DA, AL, and expired XX.

16. Some *more* Questions

7. Do operators pay a blanket bond amount for wells for which they are providing SWFA?
 - No.
8. How will transfers be evaluated where buyer, seller, or both have yet to receive approved FA plans?
 - We will wait for both Operators' plans to be approved.
9. What is the process when an operator has a pending transfer at the time it submits an FA plan, or it has a transfer pending or completed after submittal of an FA plan but before a hearing or decision is made on that plan?
 - We will wait for both Operators' plans to be approved.
10. Do Operators have to continually update their FA plans for new OGDPs or do Operators' FA have to be revised annually if and as necessary to accommodate the new wells?
 - The Financial Assurance for new OGDPs will be handled in different ways, depending upon the circumstances. An OGDG approval may require a Form 3A and FA prior to construction of a new Location, or a Revised – Change of Circumstance Form 3 within a period of time, or Revised – Annual Review Form 3.
11. What are the FA dollar amount requirements for commercial disposal wells?
 - The FA for a Commercial Disposal Well will be determined by the Operator's FA Plan. Rule 703.f requires \$100,000 for each Commercial Disposal Well facility.
12. How does release of FA work if an operator plugs wells that were not subject to SWFA?
 - When a Well has been plugged and has passed final reclamation, the Operator may file a Form 3A to request release of the Financial Assurance for that Well. Depending upon the FA coverage for the well, staff may request the Operator file a Revised – Change of Circumstance Form 3 to evaluate the Operator's FA without that Well. The resulting approved Form 3 will determine what Financial Assurance is required for the operator and what Form 3A should be filed.