Rule 205.c.(3).A
Form 1B – Annual Registration

(#1)
Query COGCC Form 7 production data by operator for previous calendar year[1]

(#2)
Sum total of the Operator's oil and gas production for previous calendar year

(#3)
Divide total gas production by total oil production and multiply by 1,000 to get:
Operator's **Aggregate GOR**
(for calendar year)

(#4)
IF Operator's **Aggregate GOR** <= 15,000, use **BOE** thresholds
IF Operator's **Aggregate GOR** > 15,000, use **MCFE** thresholds

Aggregate GOR

(#5)
Convert COGCC Form 7 oil and gas production for all completions to barrels of oil equivalent (BOE) and thousand cubic feet of gas equivalent (MCFE):
BOE = Oil (barrels) + (Gas (MCF) / 5.8)
MCFE = Gas (MCF) + (Oil (barrels) x 5.8)

(#6)
Sum all oil and gas production from #5 to get:
Operator's
Aggregate Production
for calendar year

(#7)
Divide Operator's **Aggregate Production** by 365 (366 in leap years), and then divide by the total number of Operator's existing wells[2] as of December 31 of the previous calendar year to get:
Average Daily Per-Well Production

Average Daily Per-Well Production

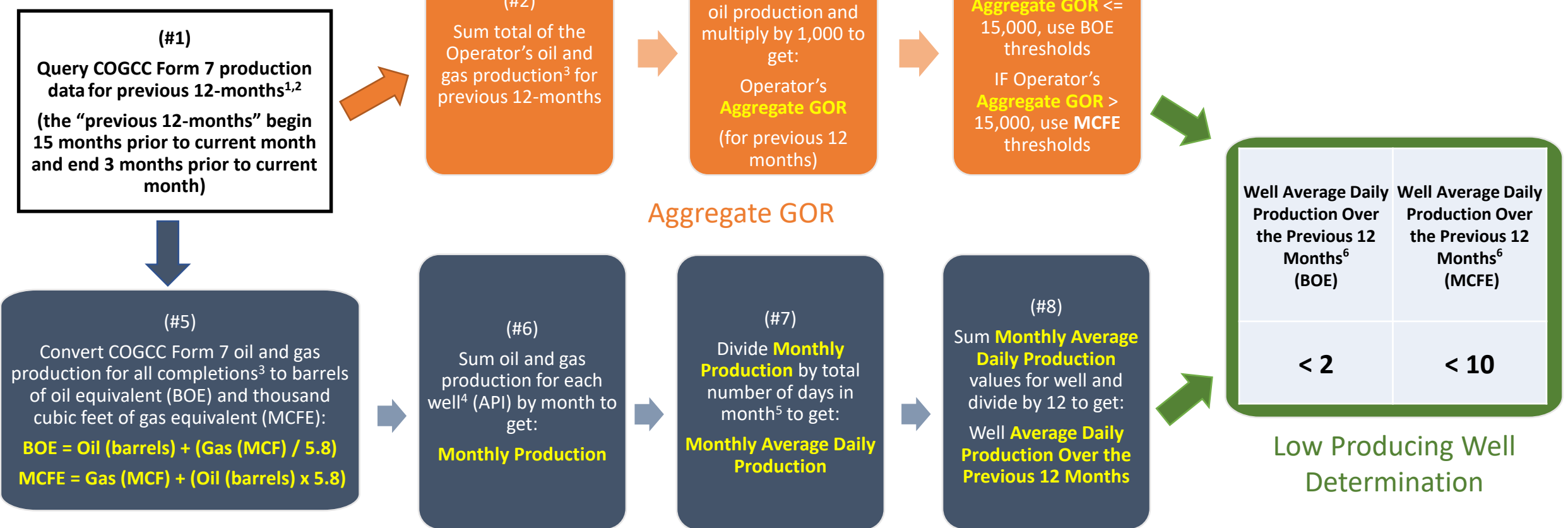| Operator's Average Daily Per-Well Production Over the Previous Calendar Year (BOE)	Operator's Average Daily Per-Well Production Over the Previous Calendar Year (MCFE)	Fee[3]
<= 15	<= 22	**$125 per Well**
> 15	> 22	**$225 per Well**

Annual Registration Fee Determination

1 – COGCC Form 7 production data records oil in units of barrels, and gas in units of thousand cubic feet (MCF).
2 – Existing wells include any hole drilled for the purpose of producing oil or gas (including nonhydrocarbon gases such as carbon dioxide and helium), a Class II UIC well, a Stratigraphic well, a Gas Storage well, or a well used for the purpose of monitoring or observing a reservoir.
3 – Exclude tribal wells, plugged wells, and any active permit not yet spud.

100 Series Definition Low Producing Well

(#1)
Query COGCC Form 7 production data for previous 12-months[1,2]

(the "previous 12-months" begin 15 months prior to current month and end 3 months prior to current month)

(#2)
Sum total of the Operator's oil and gas production[3] for previous 12-months

(#3)
Divide total gas production by total oil production and multiply by 1,000 to get:

Operator's **Aggregate GOR**

(for previous 12 months)

(#4)
IF Operator's **Aggregate GOR** <= 15,000, use BOE thresholds

IF Operator's **Aggregate GOR** > 15,000, use **MCFE** thresholds

Aggregate GOR

(#5)
Convert COGCC Form 7 oil and gas production for all completions[3] to barrels of oil equivalent (BOE) and thousand cubic feet of gas equivalent (MCFE):

BOE = Oil (barrels) + (Gas (MCF) / 5.8)

MCFE = Gas (MCF) + (Oil (barrels) x 5.8)

(#6)
Sum oil and gas production for each well[4] (API) by month to get:

Monthly Production

(#7)
Divide **Monthly Production** by total number of days in month[5] to get:

Monthly Average Daily Production

(#8)
Sum **Monthly Average Daily Production** values for well and divide by 12 to get:

Well **Average Daily Production Over the Previous 12 Months**

Average Daily Per Well Production

Well Average Daily Production Over the Previous 12 Months[6] (BOE)	Well Average Daily Production Over the Previous 12 Months[6] (MCFE)
< 2	< 10

Low Producing Well Determination

1 – COGCC Form 7 production data records oil in units of barrels, and gas in units of thousand cubic feet (MCF)
2 – Include Form 7 production for well regardless of asset ownership during 12-month period
3 – Exclude PA & AB statuses
4 – By API, sum completions (Exclude PA & AB statuses)
5 – Include total days of month regardless of number of producing days
6 – Oil and gas well and UIC well completed fewer than 12 months are NOT designated as Low Producing

100 Series Definition Single Well Financial Assurance

(#1)

Operator preference for establishing Single Well Financial Assurance:

Operator's Demonstrated Costs (Form 3 Manual Input)

-OR-

Commission Estimated Costs (Form 3 Automated Calculation)

Determine demonstrated costs of plugging and abandonment using total vertical depth (TVD) ranges:

A. <= 4,000 feet

B. > 4,000 feet and <= 8,000 feet

C. > 8,000 feet

(#3)

Determine and divide the demonstrated reclamation costs by the number of wells on the oil and gas location or at the oil and gas facility[1]

(#4)

Sum #2 and #3 to get:

Single Well Financial Assurance

Operator's Demonstrated Costs

(#7)

Determine **Single Well Plugging and Abandonment Cost** using total vertical depth (TVD) ranges:

A. <= 4,000 feet: $10,000 of Financial Assurance

B. > 4,000 feet and <= 8,000 feet: $30,000 of Financial Assurance

B. > 8,000 feet: $40,000 of Financial Assurance

(#5)

Calculate **Location Reclamation Cost** as $100,000 per location or facility

(#6)

Divide #5 by the number of wells on the oil and gas location or at the oil and gas facility to get:

Single Well Location Reclamation Cost

(#8)

Sum #6 and #7 to get:

Single Well Financial Assurance

Commission Estimated Costs

Single Well Financial Assurance Determination

1 – Use COGIS for COGCC location and associated wells information

Option 1

Low Producing Wells: The Operator's blanket bond will cover Low Producing Wells up to 10% of the Operator's total number of Wells (excluding Out of Service Wells). The Operator will provide Single Well Financial Assurance for any Low Producing Well that exceeds the 10% threshold.

Transferred Low Producing Wells: Single Well Financial Assurance for any Low Producing Well that exceeds the threshold set forth in Rule 702.d.(1).B.ii.aa and was subject to a transfer of operatorship approved by the Director pursuant to Rule 218.g.

Option 2

Low Producing Wells: The Operator's blanket bond will cover Low Producing Wells up to 5% of the Operator's total number of Wells (excluding Out of Service Wells). The Operator will provide Single Well Financial Assurance for any Low Producing Well that exceeds the 5% threshold.

Transferred Low Producing Wells: Single Well Financial Assurance for any Low Producing Well that exceeds the threshold set forth in Rule 702.d.(1).B.ii.aa and was subject to a transfer of operatorship approved by the Director pursuant to Rule 218.g.

Option 3 & 4

Single Well Financial Assurance for **every Well**, unless the Commission approves an alternative amount for a transferred Low Producing Well pursuant to Rule 218.g, or the Director approves an alternative amount pursuant to Rule 434.d.

Option 6

Low Producing Wells: The Operator's comprehensive Financial Assurance amount will cover Low Producing Wells up to 25% of the Operator's total number of Wells (excluding Out of Service Wells). The Operator will provide Single Well Financial Assurance for any Low Producing Well that exceeds the 25% threshold.

Transferred Low Producing Wells: Single Well Financial Assurance for any Well that exceeds the threshold set forth in Rule 702.d.(6).B.ii.aa and was subject to a transfer of operatorship approved by the Director pursuant to Rule 218.g.

Rule 702.c.(1) – (6)
Financial Assurance Plan – Operator's Option Determination

(#1)
Query COGCC Form 7 production data by operator for previous 12-months[1]

(the "previous 12-months" includes production reports from 15 months through 4 months prior to current month)

(#2)
Sum total of the Operator's oil and gas production[2] for previous 12-months

(#3)
Divide total gas production by total oil production and multiply by 1,000 to get:

Operator's **Aggregate GOR**

(for previous 12 months)

(#4)
IF Operator's **Aggregate GOR** <= 15,000, use BOE thresholds

IF Operator's **Aggregate GOR** > 15,000, use **MCFE** thresholds

Aggregate GOR

(#5)
Convert COGCC Form 7 oil and gas production for all completions[2] to barrels of oil equivalent (BOE) and thousand cubic feet of gas equivalent (MCFE):

BOE = Oil (barrels) + (Gas (MCF) / 5.8)
MCFE = Gas (MCF) + (Oil (barrels) x 5.8)

(#6)
Sum oil and gas production for each well[3] (API) by month to get:

Monthly Production

(#7)
Divide **Monthly Production** by total number of days in month[4] to get:

Monthly Average Daily Production

(#8)
Sum **Monthly Average Daily Production** values for ALL wells in given month

(#9)
Count number of wells with a Form 7 report by Operator in given month[5]

(#10)
Divide #8 by #9 for every month to get:

Monthly Average Daily Per-Well Production

(#11)
Sum **Monthly Average Daily Per-Well Production** values and divide by the number of months for which qualified Form 7 production reports[6] were submitted to get:

Operator's **Average Daily Per-Well Production Over the Previous 12 Months**

Average Daily Per Well Production

Financial Assurance Plan Options Determination

Thresholds		
Operator's Average Daily Per-Well Production Over the Previous 12 Months (BOE)	Operator's Average Daily Per-Well Production Over the Previous 12 Months (MCFE)	Option
> 60	> 90	Option 1
< = 60 & > 15	< = 90 & > 22	Option 2
< = 15 & > 2	< = 22 & > 6	Option 3
< = 2	< = 6	Option 4
> 60 (Private)	> 90 (Private)	Option 6
> 40 (Public)	> 60 (Public)	

1 – COGCC Form 7 production data records oil in units of barrels, and gas in units of thousand cubic feet (MCF)
2 – Exclude PA, DA, AB, DG, WO, & SO wellbore statuses; For IJ wellbore status, only include if inactive for 12 or more months
3 – By API, sum completions
4 – Include total days of month regardless of number of producing days
5 – Number of wells (APIs); Do NOT count completions for the same API separately
6 – For most Operators the divisor will be 12; the divisor will be <12 if there are any months for which no qualified Form 7 production reports were submitted by the Operator

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