



OPERATOR GUIDANCE

Form 3 Surface Owner Bond Analysis

Document Change Log

Change Date	Description of Changes
1/5/2023	Guidance developed.
7/7/2023	Updated procedure for revised web report.

Rule Citation

Surface Owner Protection Bonds are addressed by Rule 704. This Rule is part of the Financial Assurance series, which went into effect on April 30, 2022.

Purpose of Rule

The purpose of this rule is to ensure that surface owners who are not directly involved in the production of minerals are protected from unreasonable crop loss or land damage caused by Oil and Gas Operations.

Guidance

Rule 704. Surface Owner Protection Bonds

The Form 3 relies on information populated in the Colorado Oil & Gas Information System (COGIS, aka database) via the Webforms or eForms electronic forms systems. If an Operator had a Surface Owner Protection Bond for an Oil & Gas Location or Facility when the revised Financial Assurance rules went into effect, then the Form 3 will include a Statewide Blanket bond in the Financial Assurance required.

Surface Owner Protection Bond Amounts	
Non-irrigated Land	\$4,000 for each Well
Irrigated Land	\$10,000 for each Well
Statewide Blanket	\$100,000

If the Form 3 includes a Statewide Blanket bond requirement and the Operator believes it is not required, the Operator must show that each Facility has one of the following conditions in order for Energy & Carbon Management Commission (ECMC) to agree to remove the requirement:

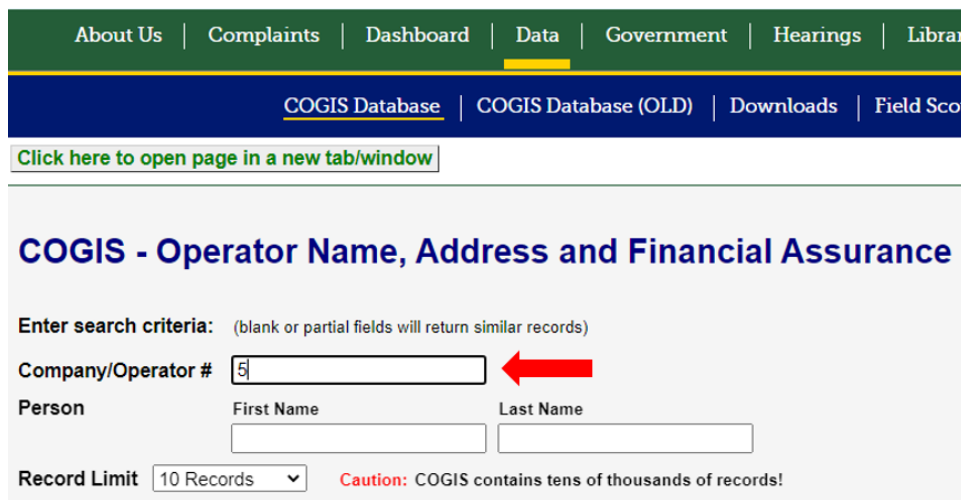
- the Surface Owner is part of the Mineral Ownership of the Facility;
- the Operator is the Surface Owner;

- the Operator has a Surface Use Agreement with the Surface Owner; or,
- the Surface Owner is federal, Indian/tribal, or the Colorado State Board of Land Commissioners.

ECMC has provided this guidance and a data query tool to make this analysis as efficient as possible. On the ECMC Website, navigate to "Data" and then "Operator Name, Address, and Financial Assurance”:



Enter the Operator number in the search field provided and hit "Enter" or click the “Submit” button.



Click on the Company name in the left column of the popup table:

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[COGIS Database](#) | [COGIS Database \(OLD\)](#) | [Download](#)

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COGIS - Operator Name, Address and Financial Assurance

Company:	5
Person: (first, last)	All All
Maximum Records:	10
Search Results - Displaying 1 - 1 of 1 Records	

Company - #Operator Number (Regional Suffix)	Address	Employee Link (Contacts, Designated Agents And eForm Users)
COLORADO OIL & GAS CONSERVATION COMMISSION - 5	1120 LINCOLN ST SUITE 801 DENVER, CO 80203	Employee List

On the screen that pops up, click on the "Surface Owner Bond & Surface Use Agreement Report" button:

COGIS - Operator Name, Address and Financial Assurance

COMPANY DETAIL REPORT

[Employee List](#)

COLORADO OIL & GAS CONSERVATION COMMISSION - 5
1120 LINCOLN ST SUITE 801
DENVER, CO 80203
USA
PHONE (970) 837-1580

Wells Operated as of April 30, 2023	17
Initial Financial Assurance Plan Deadline	12/1/2022
Financial Assurance Plan	
Not Yet Approved	
Previous 12 Months Production Data	
Form 3 Other Financial Assurance	

- [Liability Insurance](#)
- [Annual Registration Data](#)
- [Well Status & Designation Data](#)
- [Well Plugging Data](#)
- [Inactive Wells](#)
- [Not Passed Final Reclamation](#)

APPROVED OPERATION(S)

Operation Type	Start Date	End Date
OPERATOR	01/01/1999	N/A

[Surface Owner Bond & Surface Use Agreement Report](#)

This will generate a table show if a Surface Use Agreement (SUA) is required (if the table does not appear check to ensure pop ups are allowed by your browser):

Operator Name	Operator Num	API Number	Well Name	Well Number	Well Status	Passed Final Reclamation	SUA Required	View Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06264	FOSSET GULCH MW 34-5-14	1	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06265	FOSSET GULCH MW 34-5-14	2	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06266	WAGON GULCH MW 34-5-4	2	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06267	WAGON GULCH MW 34-5-4	1	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06270	HWY 151 34-4-30 MW	2	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06271	HWY 151 34-4-30 MW	1	SI	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	007-06293	DEEP CANYON MW	34-4-32-1	AC	N	N	Surface Details
ENERGY & CARBON MANAGEMENT COMMISSION	5	028-05013	SPAULDING BROS (OWP)	1	PA	N	Y	Surface Details

If the table shows that a SUA is required and the Operator has evidence that indicates a Surface Owner Protection Bond is not needed, that evidence can be submitted by means of a Form 4 Sundry Notice. Do not submit a Sundry for each well/API# on a pad; submit one Sundry per Location - the information on the Sundry will be indexed to every API # on that Location. If the evidence is a Surface Use Agreement, select the "REMOVE FROM SURFACE BOND" box on the "OTHER" tab, attach the agreement and submit the Form 4. If the evidence relates to the surface owner being a mineral owner, the Operator, federal agencies, Indian/tribal, or the State Land Board, select the "DOCUMENTS SUBMITTED" box, fill in the "Purpose of Submission", attach the documents, and submit the Form 4. It is possible evidence already exists in COGIS that has simply not been correctly associated with the Facility, so reviewing the Location file in COGIS might be a good place to start. ECMC will also audit records as resources are available and may update the associations without any action from the Operator.