



## Form 3 - Financial Assurance Plan

### Summary Information Overview

Form Name:	<b>Form 3 - Financial Assurance Plan</b>
Document Number:	<b>403478333</b>
Date Submitted:	<b>8/10/2023</b>
Date Approved:	<b>8/16/2023</b>

### Operator Information

- Operator Number: **10112**
- Operator Name: **FOUNDATION ENERGY MANAGEMENT LLC**
- Operator Address: **5057 KELLER SPRINGS RD STE 650 ATTN: RICHARD PAYNE**
- Operator City: **ADDISON**
- Operator State: **TX**
- Operator Zip: **75001**
- First Name: **JAMES**
- Last Name: **SMITH**
- Contact Phone: **(972) 707-2595**
- Contact Email: **jsmith@foundationenergy.com**
- Initial Plan: ☒
- Revised - Annual Review: ☐
- Revised - Change in Circumstance: ☐
- Revised - Proposed Transfer of Ownership: ☐
- Revised - Transfer of Ownership: ☐
- Docket Number:
- Commission Order:
- Subsidiary Operators: **None**
- Revised Plan Description:
- Operator Transfer Type:
- Operator's Total Oil Production: **26,265**
- Operator's Total Gas Production: **270,596**
- Operator's Aggregate GOR: **10,302**
- Operator's GOR Determination: **BOE**
- Operator's Average Daily Per-Well Production: **5.3078 BOE**
- Public Company: **NO**
- Current Approved Plan Option:

### Well Data

## Well Status Data

Reported Plugged Wells are excluded.

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Status	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Active	0	0	0	0
Active Permit	0	0	0	0
Domestic	0	0	0	0
Drilling	0	0	0	0
Injecting	0	0	0	0
Producing	22	22	0	0
Shut In	0	0	0	0
Suspended Operations	0	0	0	0
Temporarily Abandoned	0	0	0	0
Waiting on Completion	0	0	0	0
<b>TOTALS</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0</b>

## Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	0	0	0	0
Noticed Inactive	0	0	0	0
Inactive Exception	0	0	0	0
Out of Service	0	0	0	0
Out of Service Repurposed	0	0	0	0
Low Producing	6	6	0	0

- Number of Inactive Wells: **0**
- Number of Wells Plugged (2023): **0**
- Number of Wells Plugged (2022): **0**
- Number of Wells Plugged (2021): **29**
- Number of Wells Plugged (2020): **24**
- Asset Retirement Planning Description: **See attachment.**
- 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:	1	1
Dry & Abandoned (DA) Wells:	0	0
Plugged & Abandoned (PA) Wells:	124	100
<b>TOTAL:</b>	<b>125</b>	<b>101</b>

## FA Types & Bond Riders

- Surety Bond: ☒
- Is Operator's financial assurance partially or entirely provided through one or more bond riders?: **NO**

## Plan Options

- Financial Assurance Plan Option: **3**

## Financial Assurance for Wells Option 3

- Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA): ☐
- Total Number of Wells: **22**
- Number of Wells with SWFA: **0**
- Amount of SWFA using ECMC Costs: **\$0.00**
- Amount of SWFA using Operator's Demonstrated Costs: **\$0.00**
- Number of Transferred Low Producing Wells with Other Financial Assurance: **0**
- Amount of Other Financial Assurance for Transferred Low Producing Wells: **\$0.00**
- Number of Out of Service Wells with Other Financial Assurance: **0**
- Amount of Other Financial Assurance for Out of Service Wells: **\$0.00**
- Total Amount of Financial Assurance Required Pursuant to Rule 702.d.(3).B.: **\$0.00**
- Annual Contribution Amount: 5% of Total Amount: **\$0.00**
- Operator's Modified Annual Contribution Amount: **\$0.00**
- Operator's Modified Annual Contribution Amount: **0%**

## Other Financial Assurance

- Number of Centralized E&P Waste Management Facilities with Financial Assurance: **0**
- Amount of Financial Assurance for Centralized E&P Waste Management Facilities: **\$0.00**
- Number of Remediation Projects with Financial Assurance: **0**
- Amount of Financial Assurance for Remediation Projects: **\$0.00**
- Amount of Blanket Financial Assurance for Seismic Operations: **\$0.00**
- Number of Gas Gathering, Gas Processing, and Underground Gas Storage Facilities: **1**
- Amount of Financial Assurance for Gas Gathering, Gas Processing, and Underground Gas Storage Facilities: **\$5,000.00**
- Number of Produced Water Transfer Systems: **0**
- Amount of Financial Assurance for Produced Water Transfer Systems: **\$0.00**
- Number of Commercial Disposal Facilities: **0**
- Amount of Financial Assurance for Commercial Disposal Facilities: **\$0.00**
- Amount of Statewide Blanket Surface Owner Protection Bond: **\$100,000.00**
- Number of Individual Surface Owner Protection Bonds: **0**
- Total Amount of Individual Surface Owner Protection Bonds: **\$0.00**

## Operator's Financial Assurance Summary

- Amount of Financial Assurance Required per Rule 702: **\$0.00**
- Amount of Financial Assurance Required per Rule 703: **\$250.00**
- Amount of Financial Assurance Required per Rule 704: **\$5,000.00**
- 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: **\$5,250.00**

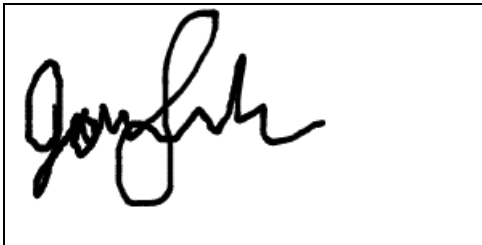
## Attachments

- Attached Files:

Doc Num	Attachment name	File name	Uploaded
403485368	CERTIFICATION OF FINANCIAL CAPABILITY	Certification of Financial Capability.pdf	08/03/2023 07:41:00 AM
403492620	ASSET RETIREMENT PLANNING	CO Assurance Plan Well List Asset Retirement Planning 8.10.23.pdf	08/10/2023 09:43:10 AM
403498767	NOTICE OF DECISION/COMMISSION ORDER	10112 Foundation Energy Management LLC Notice of Decision - 403478333.pdf	08/16/2023 11:24:51 AM

## Signature and Certification

- *Form Created:* **7/27/2023**
- **I hereby certify all statements made on this form are, to the best of my knowledge at the time of submittal, true, correct, and complete.**
- *Operator Comments:* **This Form 3 document #403478333 is submitted as a result of an approved Form 9 Transfer or Operatorship and it replaces Form 3 document #403406314. In July 2022, Foundation requested release of a \$50,000 Commercial UIC bond for a plugged well and a \$50,000 Produced Water Transfer bond for an asset that was sold, but have not yet received a response from ECMC.**
- *Name:* **JAMES SMITH**
- *Title:* **HSE/REGULATORY MGR**
- *Email:* **jsmith@foundationenergy.com**
- *Phone:* **(972) 707-2595**
- *Signature:*



## Associated Documents

- 403492654 - FORM 3 WELL LIST
- 403492655 - FORM 3 INACTIVE WELLS
- 403492656 - FORM 3 OTHER FINANCIAL ASSURANCE
- 403492657 - FORM 3 PLUGGED WELLS HAVE NOT PASSED FINAL RECLAMATION
- 403492658 - FORM 3 SUBMITTED

## Conditions of Approval

- The plan is approved as it applies to Financial Assurance associated with the Wells/Facilities identified in the plan. Additional Financial Assurance may be required as the Asset Retirement Plan, inactive well information, and other non-well infrastructure are evaluated further.
- The plan includes a number of plugged wells that have not passed final reclamation that may require additional financial assurance when the plan is reviewed pursuant to Rule 707.a.(1).D.
- This plan replaces plan previously approved in doc. no. 403406314. The assurance required by that plan has not been received and is due August 21, 2023. Therefore, the assurance required by this plan is also due by August 21, 2023.

