



Form 3 - Financial Assurance Plan

Summary Information Overview

Form Name: **Form 3 - Financial Assurance Plan**
Document Number: **403909237**
Date Submitted: **9/4/2024**
Date Approved: **9/5/2024**

Operator Information

Operator Number: **10705**
Operator Name: **EVERGREEN NATURAL RESOURCES LLC**
Operator Address: **1875 LAWRENCE ST STE 1150 ATTN: MICHAEL JOY**
Operator City: **DENVER**
Operator State: **CO**
Operator Zip: **80202**
First Name: **TJ**
Last Name: **FERNANDEZ**
Contact Phone: **(719) 220-4330**
Contact Email: **timothy.fernandez@enrllc.com**
Initial Plan:
Revised Plan:
Docket Number: **221100286**
Commission Order: **1-362**
Subsidiary Operators: **None**
Revised Plan Description:
Operator Transfer Type:
Operator's Total Oil Production: **0**
Operator's Total Gas Production: **28,375,647**
Operator's Aggregate GOR: **0**
Operator's GOR Determination: **MCFE**
Operator's Average Daily Per-Well Production: **34.68 MCFE**
Public Company: **NO**
Current Approved Plan Option:

Well Data

Well Status Data **Reported Plugged Wells are excluded.**

Status	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Active	13	0	0	13
Active Permit	0	0	0	0
Domestic	0	0	0	0
Drilling	0	0	0	0
Injecting	15	0	0	15
Producing	2,079	0	0	2,079
Shut In	83	0	0	83
Suspended Operations	0	0	0	0
Temporarily Abandoned	62	0	0	62
Waiting on Completion	11	0	0	11
TOTALS	2,263	0	0	2,263

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	128	0	0	128
Noticed Inactive	65	0	0	65
Inactive Exception	0	0	0	0
Out of Service	0	0	0	0
Out of Service Repurposed	0	0	0	0
Low Producing	832	0	0	832

Number of Inactive Wells: **128**

Number of Wells Plugged (2024): **0**

Number of Wells Plugged (2023): **0**

Number of Wells Plugged (2022): **0**

Number of Wells Plugged (2021): **0**

Asset Retirement Planning Description: **See Docket No. 221100286 Order 1-362.**

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:	0	0
Dry & Abandoned (DA) Wells:	0	0
Plugged & Abandoned (PA) Wells:	88	0
TOTAL:	88	0

FA Types & Bond Riders

Third-Party Trust Fund:

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

Plan Options

Financial Assurance Plan Option: **5**

Financial Assurance for Wells Option 5

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA):

Total Number of Wells: **2,263**

Number of Transferred Low Producing Wells with SWFA: **0**

Amount of SWFA for Transferred Low Producing Wells: **\$0.00**

Amount of SWFA for Low Producing Wells using Operator's Demonstrated Costs: **\$0.00**

Number of Out of Service Wells with SWFA: **0**

Amount of SWFA for Out of Service Wells using ECMC Costs: **\$0.00**

Amount of SWFA for Out of Service Wells using Operator's Demonstrated Costs: **\$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 based upon Well Status and Well Designation: **\$10,620,391.00**

Describe the circumstances under which the Director will collect Single Well Financial Assurance (SWFA) for future Low Producing Wells: **See Docket No. 221100268 Order 1-362.**

Applicable Option from Rules 702.c.(1)–(4) based on the Operator's average daily per-Well production: **Option 2**

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: **\$69,660,000.00**

Total Financial Assurance for Wells: **\$10,620,391.00**

Provide the Operator's justification for not pursuing a Financial Assurance Plan based on the criteria in Rules 702.c.(1)–(4) in the space below. NOTE: If this space is not adequate, please provide this information in an attachment.: **See Docket No. 221100268 Order 1-362.**

Describe the following in the space below: the operator's financial condition or circumstances, the operator's history of compliance (especially compliance with well integrity requirements and timely payment of royalties), the lack of any adjudicated major violations under Rule 525.c in the three years immediately preceding the Option 5 application, and the operator's plugging and abandonment activities. NOTE: If this space is not adequate, please provide this information in an attachment.: **See Docket No. 221100268 Order 1-362.**

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: **12**

Amount of Financial Assurance for Gas Gathering, Gas Processing, and Underground Gas Storage Facilities: **\$100,000.00**

Number of Produced Water Transfer Systems: **1**

Amount of Financial Assurance for Produced Water Transfer Systems: **\$50,000.00**

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: **\$10,620,391.00**

Amount of Financial Assurance Required per Rule 703: **\$150,000.00**

Amount of Financial Assurance Required per Rule 704: **\$100,000.00**

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: **\$10,870,391.00**

Attachments

Attached Files:

Doc Num	Attachment name	File name	Uploaded
403909573	CERTIFICATION OF FINANCIAL CAPABILITY	221100286 ENR Financial Assurance Order FINAL.pdf	09/04/2024 01:38:05 PM
403909575	OPTION 5 JUSTIFICATION	Party EVERGREEN NATURAL RESOURCES LLC - Exhibit ENR_FA_PLAN_ADDENDUM_5_SUPPLEMENTAL_INFORMATION_2024_0510_REDACTEID - Docket No 221100286 - Filed By APPLICANT - Stored 6 13 2024 - Confid NO.pdf	09/04/2024 01:38:24 PM
403911190	NOTICE OF DECISION/COMMISSION ORDER	10705 Evergreen Natural Resources Notice of Decision - 403909237.pdf	09/05/2024 01:42:38 PM

Signature and Certification

Form Created: **9/4/2024**

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: Paragraph 3 of the Order 1-362 in Docket No. 221100286 states: "As soon as practicable, and no later than December 31, 2024, ENR will establish and begin funding, consistent with the funding schedule stated in the Application, a third-party, interest-bearing plugging and abandonment and reclamation trust fund, also known as the PA&R Trust, to fund 100 percent of ENR's plugging and abandonment and reclamation obligations under the Act and the Commission's Rules throughout the life of the field." Paragraph I.A. of the May 10, 2024 Financial Assurance Plan Addendum 5: Supplemental Information document, also attached to this Form 3, states: "ENR proposes to establish and fund a third-party interest-bearing plugging, abandonment, and reclamation trust fund (PA&R Trust) held by a third-party commercial trustee into and through which ENR would fully fund its PA&R liability over the demonstrated life of the Field. ENR will propose a PA&R Trust document in substantially the same format and containing substantially the same terms as the Environmental Protection Agency uses to create trust funds to assure the eventual plugging, abandonment, and reclamation of underground disposal wells. The PA&R Trust will name the ECMC as the beneficiary, and a regulated commercial bank as the Trustee to hold, invest and reinvest trust deposits and profits. The PA&R Trust will provide an offset for the actual costs incurred in each year for PA&R work performed by ENR in the manner contemplated by Rule 702 and the definition of a Third-Party Trust Fund, and when such time as PA&R activity exceeds the annual contribution amount, will provide for withdrawal payments to cover the PA&A activity. The PA&R Trust will be funded as follows: 1) ENR will capitalize the PA&R Trust with \$250,000 in the first year, and thereafter fund the PA&R Trust with annual contributions of \$240,000. Consistent with a "retirement savings account" approach, using an 8% interest rate of return, ENR would fully fund its entire PA&R over the 35-year life of the Field with a PA&R Trust equal to more than \$45,000,000. Exhibit 1 is an investment computation calculated over the life of the Field. 2) On an interim basis the PA&R Trust would hold approximately \$12,500,000 at the 20-year point of the PA&R Trust, as shown on Exhibit 2. ENR would begin funding the PA&R Trust this year and continue to do so until the field is fully plugged, abandoned, and reclaimed or the amount in the PA&R Trust exceeds the estimated PA&R obligation in a manner contemplated by Rule 706." This Form 3 was crafted by ECMC with terms established in the associated Order 1-362 using submitter contact information provided by Evergreen.

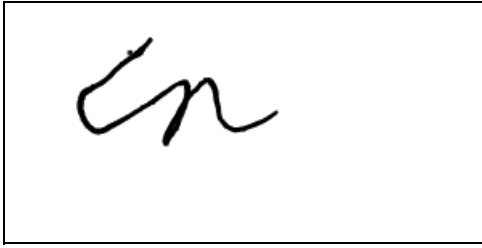
Name: **TJ Fernandez**

Title: **Environmental Tech**

Email: **timothy.fernandez@enrllc.com**

Phone: (719) 220-4330

Signature:



Associated Documents

403909585 - FORM 3 WELL LIST

403909586 - FORM 3 INACTIVE WELLS

403909587 - FORM 3 OTHER FINANCIAL ASSURANCE

403909588 - FORM 3 PLUGGED WELLS HAVE NOT PASSED FINAL RECLAMATION

403909589 - FORM 3 SUBMITTED

1120 Lincoln Street, Suite 801, Denver, CO 80203 P 303.894.2100 www.colorado.gov/cogcc
Jared S. Polis, Governor | Julie Murphy, Director | Scott Cuthbertson, Deputy Director Operations

