



COLORADO

Oil & Gas Conservation Commission

Department of Natural Resources

Form 3 - Financial Assurance Plan

Summary Information Overview

Form Name: **Form 3 - Financial Assurance Plan**
Document Number: **403245420**
Date Submitted: **12/1/2022**
Date Approved: **4/14/2023**

Operator Information

- Operator Number: **10583**
- Operator Name: **PETRO OPERATING COMPANY LLC**
- Operator Address: **9033 E EASTER PLACE SUITE 112**
- Operator City: **CENTENNIAL**
- Operator State: **CO**
- Operator Zip: **80112-2105**
- First Name: **Alex**
- Last Name: **Corey**
- Contact Phone: **(713) 408-7174**
- Contact Email: **alex.corey@iptenergyservices.com**
- Initial Plan:
- Docket Number:
- Commission Order:
- Subsidiary Operators: **None**
- Revised Plan Description:
- Operator Transfer Type:
- Operator's Total Oil Production: **1,843,870**
- Operator's Total Gas Production: **4,589,013**
- Operator's Aggregate GOR: **2,488**
- Operator's GOR Determination: **BOE**
- Operator's Average Daily Per-Well Production: **181.4029 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	1	0	0	1
Injecting	0	0	0	0
Producing	41	0	0	41
Shut In	1	0	0	1
Suspended Operations	0	0	0	0
Temporarily Abandoned	0	0	0	0
Waiting on Completion	0	0	0	0
TOTALS	43	0	0	43

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	1	0	0	1
Noticed Inactive	0	0	0	0
Inactive Exception	0	0	0	0
Out of Service	1	0	0	1
Out of Service Repurposed	0	0	0	0
Low Producing	3	0	0	3

- **Number of Inactive Wells: 0**
- **Number of Wells Plugged (2022): 0**
- **Number of Wells Plugged (2021): 3**
- **Number of Wells Plugged (2020): 0**
- **Number of Wells Plugged (2019): 1**
- **Asset Retirement Planning Description: Petro is an Option One operator pursuant to the standards set forth in COGCC Rule 702.c.(1). Petro's Asset Retirement Plan satisfies these criteria set forth in Rule 702.d.(2).A.v in all respects. Petro is adequately planning for the retirement of its Oil and Gas operations, as needed. Petro has given evidence of its prior plugging and abandonment activities at an average of one per year or as needed, which provides a reasonable estimate of its capabilities along with documentation of its successful operations that its assets have a long future ahead. Further, it has provided a reasonable estimate of the life of its field (40 years) based on production records and its average per well production BOE of 181.4. Petro's age of its infrastructure is less than five years of age, its future retirement plan currently only has two low producing wells which will remain operational until future permits are approved. Additionally, one inactive well has been placed on a Form 6A OOS list.**
- **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:	4	4
TOTAL:	4	4

FA Types & Bond Riders

- **Cash Bond:**
- **Surety Bond:**

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

Plan Options

- Financial Assurance Plan Option: **1**

Financial Assurance for Wells Option 1

- Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA):
- Total Number of Wells: **42**
- 10% of Total Wells: **4**
- Number of Non-Low Producing Wells Covered by Per-Well Blanket: **40**
- Number of Low Producing Wells Covered by Per-Well Blanket: **2**
- Total Number of Blanket Wells **42**
- Amount of Blanket Financial Assurance per Well **\$12,000.00**
- Total Amount of Per-Well Blanket Financial Assurance **\$504,000.00**
- Number of Low Producing Wells with SWFA: **0**
- Amount of SWFA for Low Producing Wells using COGCC Costs: **\$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 COGCC 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 Financial Assurance for Wells: **\$504,000.00**

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: **0**
- Amount of Financial Assurance for Gas Gathering, Gas Processing, and Underground Gas Storage Facilities: **\$0.00**
- 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: **\$0.00**
- 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: **\$504,000.00**
- Amount of Financial Assurance Required per Rule 703: **\$0.00**

- Amount of Financial Assurance Required per Rule 704: **\$0.00**
- 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: **\$504,000.00**

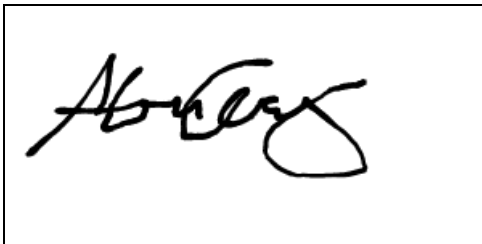
Attachments

- Attached Files:

Doc Num	Attachment name	File name	Uploaded
403245433	CERTIFICATION OF FINANCIAL CAPABILITY	Petro Financial Statement 11-30-22.pdf	11/30/2022 04:40:48 PM
403245434	ASSET RETIREMENT PLANNING - CONFIDENTIAL	Petro Operating_Asset Retirement Plan_FNL_V1.pdf	11/30/2022 04:41:20 PM
403277948	ASSET RETIREMENT PLANNING - REDACTED	Petro Operating_Asset Retirement Plan_FNL_V1_Redacted.pdf	01/03/2023 12:08:51 PM
403374464	---	10583 Petro Operating Company LLC Notice of Decision - 403245420.pdf	04/14/2023 02:55:35 PM

Signature and Certification

- Form Created: **11/30/2022**
- Operator Comments:
- **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.**
- Name: **Alex**
- Title: **Corey**
- Email: **alex.corey@iptenergyservices.com**
- Phone: **(713) 408-7174**
- Signature:



Associated Documents

- 403246147 - FORM 3 SUBMITTED
- 403277950 - FORM 3 WELL LIST
- 403277951 - FORM 3 INACTIVE WELLS
- 403277952 - FORM 3 OTHER FINANCIAL ASSURANCE
- 403277953 - FORM 3 PLUGGED WELLS HAVE NOT PASSED FINAL RECLAMATION

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 further evaluated.
- 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.

