



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: **403287748**
Date Submitted: **1/12/2023**

Operator Information

- Operator Number: **10793**
- Operator Name: **POLARIS PRODUCTION OPCO LLC**
- Operator Address: **100 GLENBOROUGH DR SUITE 442**
- Operator City: **HOUSTON**
- Operator State: **TX**
- Operator Zip: **77067**
- First Name: **GREG**
- Last Name: **WACHEL**
- Contact Phone: **(346) 444-3321**
- Contact Email: **gwachel@fortify.energy**
- Initial Plan: ☒
- Docket Number:
- Commission Order: **1-null**
- Subsidiary Operators: **None**
- Revised Plan Description:
- Operator Transfer Type:
- Operator's Total Oil Production: **39,076**
- Operator's Total Gas Production: **13,521**
- Operator's Aggregate GOR: **346**
- Operator's GOR Determination: **BOE**
- Operator's Average Daily Per-Well Production: **19.5605 BOE**
- Public Company: **NO**
- Current Approved Plan Option:

SUBMITTED

Well Data

Well Status Data

Reported Plugged Wells are excluded.

•

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	3	0	0	3
Producing	14	0	0	14
Shut In	4	0	0	4
Suspended Operations	0	0	0	0
Temporarily Abandoned	2	0	0	2
Waiting on Completion	0	0	0	0
TOTALS	23	0	0	23

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	6	0	0	6
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	5	0	0	5

- *Number of Inactive Wells: 6*
- *Number of Wells Plugged (2023): 0*
- *Number of Wells Plugged (2022): 0*
- *Number of Wells Plugged (2021): 0*
- *Number of Wells Plugged (2020): 0*
- *Asset Retirement Planning Description: v. Asset Retirement Planning a. Projected Life of the Field: 25 years b. Age of the Infrastructure: 7 years c. Number of OOS Wells: 0 d. Number of Inactive Wells: 6 [Whistler 6-22, Big Sky 14-11, Snowbird 16-15 (injector), Blackcomb 12-14 (injector), Crested Butte 2-14 (planned recompletion), Telluride 13-2 (planned recompletion)] e. Number of LP Wells: 1 (Mary Jane 11-5) f. Reasons for keeping inactive wells: Planned recompletes and additional waterflood injectors/producers in the future g. Timing for Plugging OOS wells: End of Field life*
- *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:	0	0
TOTAL:	0	0

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: **2**

Financial Assurance for Wells Option 2

- Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA): ☐
- Total Number of Wells: **23**
- 5% of Total Wells: **1**
- Number of Non-Low Producing Wells Covered by Per-Well Blanket: **18**
- Number of Low Producing Wells Covered by Per-Well Blanket: **1**
- Total Number of Blanket Wells **19**
- Amount of Blanket Financial Assurance per Well **\$18,000.00**
- Total Amount of Per-Well Blanket Financial Assurance **\$342,000.00**
- Number of Low Producing Wells with SWFA: **4**
- Amount of SWFA for Low Producing Wells using COGCC Costs: **\$560,000.00**
- Amount of SWFA for Low Producing Wells using Operator's Demonstrated Costs: **\$260,000.00**
- 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: **\$902,000.00**

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: **1**
- Amount of Financial Assurance for Produced Water Transfer Systems: **\$5,000.00**
- Number of Commercial Disposal Facilities: **0**
- Amount of Financial Assurance for Commercial Disposal Facilities: **\$0.00**
- Amount of Statewide Blanket Surface Owner Protection Bond: **\$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: **\$902,000.00**
- Amount of Financial Assurance Required per Rule 703: **\$5,000.00**
- 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: **\$907,000.00**

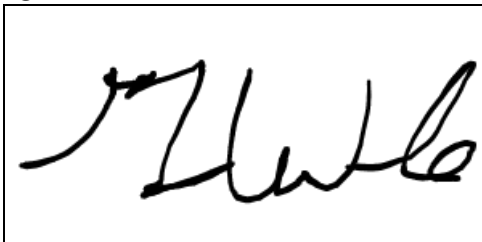
Attachments

- Attached Files:

Doc Num	Attachment name	File name	Uploaded
403288641	CERTIFICATION OF FINANCIAL CAPABILITY	Form 3 Certification.pdf	01/12/2023 12:53:37 PM

Signature and Certification

- Form Created: 1/11/2023
- Operator Comments: Operator is submitting this Form 3 timely pursuant to the COA for the Form 9 Operator Transfer from D90 to Polaris. For the SWFA for the 4 inactive wells, which constitutes \$560,000 of our total bond amount, we respectfully request the following: 1. For the Commission to consider 2 wells, Crested Butte 2-14 and Telluride 13-2, are planned near-term recompletes to RTP (the Crested Butte 2-14 recompletion permit has been filed, the Telluride 13-2 filing is imminent), and therefore a \$140,000 bonding obligation per well is not appropriate at this time; 2. The Whistler 6-22 and Mary Jane 11-5 locations (and for that matter, Telluride 13-2 and Crested Butte 2-14) have minimal to no surface equipment beyond the wellhead, and the restoration to the terrain is similarly minimal, so surface reclamation should be far less than \$100,000 per well; and 3. as a follow-up to #2 above, Polaris is willing to supplement this Form 3 with P&A and reclamation estimates for the 4 Inactive Wells but requests additional time beyond the COA 10 days following the approval of the Form 9 Operator Transfer from D90. Thank you for your consideration.
- 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: GREG WACHEL
- Title: COO
- Email: gwachel@fortify.energy
- Phone: (346) 444-3321
- Signature:



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

