



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:	403402901
Date Submitted:	5/19/2023
Date Approved:	5/23/2023

Operator Information

- Operator Number: **10805**
- Operator Name: **FULCRUM ENERGY OPERATING LLC**
- Operator Address: **240 SAINT PAUL STREET SUITE 502 ATTN: RYAN SULLIVAN**
- Operator City: **DENVER**
- Operator State: **CO**
- Operator Zip: **80206**
- First Name: **Ryan**
- Last Name: **Sullivan**
- Contact Phone: **(720) 647-9504**
- Contact Email: **ryan@fulcrumef.com**
- Initial Plan: ☒
- Docket Number:
- Commission Order:
- Subsidiary Operators: **None**
- Revised Plan Description:
- Operator Transfer Type:
- Operator's Total Oil Production: **242,386**
- Operator's Total Gas Production: **407,398**
- Operator's Aggregate GOR: **1,680**
- Operator's GOR Determination: **BOE**
- Operator's Average Daily Per-Well Production: **43.1956 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	10	0	0	10
Domestic	0	0	0	0
Drilling	5	0	0	5
Injecting	5	0	0	5
Producing	49	12	0	37
Shut In	12	5	0	7
Suspended Operations	0	0	0	0
Temporarily Abandoned	0	0	0	0
Waiting on Completion	0	0	0	0
TOTALS	81	17	0	64

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	3	1	0	2
Noticed Inactive	3	1	0	2
Inactive Exception	0	0	0	0
Out of Service	0	0	0	0
Out of Service Repurposed	0	0	0	0
Low Producing	5	2	0	3

- *Number of Inactive Wells: 3*
- *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: Fulcrum Energy Operating, LLC (FEO) recently took over operatorship of assets owned by previous operators in Jackson County and is actively pursuing a horizontal drilling and development program. The projected life of the field is 30+ years. The age of infrastructure is anywhere from 1-10 years. FEO is committed to routinely monitoring all infrastructure to ensure it is in good working order. The technical team is currently evaluating the economics of wells in the basin, including inactive and low producing wells. The company's goal is to beneficially utilize all assets, and to plug and abandon any wells which are no longer economic or cannot be utilized for other purposes (i.e. EOR, injection, monitoring, etc.). There are no Out of Service wells.**
- *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:	2	2
TOTAL:	3	3

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: 81*
- *5% of Total Wells: 4*
- *Number of Non-Low Producing Wells Covered by Per-Well Blanket: 61*
- *Number of Low Producing Wells Covered by Per-Well Blanket: 3*
- *Total Number of Blanket Wells 64*
- *Amount of Blanket Financial Assurance per Well \$15,000.00*
- *Total Amount of Per-Well Blanket Financial Assurance \$960,000.00*
- *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: \$960,000.00*

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: \$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: \$960,000.00*
- *Amount of Financial Assurance Required per Rule 703: \$0.00*
- *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: \$1,060,000.00*

Attachments

- Attached Files:

Doc Num	Attachment name	File name	Uploaded
403407715	CERTIFICATION OF FINANCIAL CAPABILITY	EXECUTED FEO Certification of Financial Assurance 5.16.23.pdf	05/19/2023 08:40:14 AM
403411187	NOTICE OF DECISION/COMMISSION ORDER	10805 Fulcrum Energy Operating LLC Notice of Decision - 403402901.pdf	05/23/2023 03:53:34 PM

Signature and Certification

- Form Created: **5/15/2023**
- Operator Comments: **Fulcrum reached out to Deborah Lutz on 5/15/23 regarding two issues related to this Form 3 filing: 1) Surface Owner Protection Bond - Fulcrum has surface use agreements and/or the surface owner is also the mineral owner for all of the assets. Therefore, there should be no need for a \$100,000 bond. 2) Fulcrum owns and operates one Centralized E&P Waste Facility - Vaneta DAF 67N90W #463141. However, this facility did not populate when the Form 3 was drafted. COGIS notes Fulcrum as the operator. Finally, a Form 3B has been submitted detailing the Federal Financial Assurance wells, but this form is currently pending. Processing of this form will impact the well count associated with required financial assurance.**
- 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: **Heidi Kaczor**
- Title: **Regulatory**
- Email: **heidi.kaczor@fulcrumeo.com**
- Phone: **(303) 981-5409**
- Signature:

A handwritten signature in black ink, appearing to be 'HK', enclosed in a black rectangular box.

Associated Documents

- 403407788 - FORM 3 SUBMITTED
- 403407789 - FORM 3 WELL LIST
- 403407790 - FORM 3 INACTIVE WELLS
- 403407791 - FORM 3 OTHER FINANCIAL ASSURANCE
- 403407792 - 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 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.

