

Wexpro Development Company
COGCC Operator Number 10568
Colorado Financial Assurance Plan
Rule 702.b
May 1, 2023

I. Well Status and Designation Data

Total Well Count: During 2022 Wexpro Company obtained 2 “producing” wells and 2 plugged and abandoned wells from HRM Resources. Two wells are currently producing. Wexpro Development Company currently has 2 active wells.

Producing Wells: 2

Injection Wells: 0

Shut In Wells: 0

Defined Inactive Wells: 0

Low Producing Wells: One (1) well is considered “Low Producing” at the time of transfer approval.

Wexpro Development’s blanket bond will cover low producing wells up to 10% of the Operator’s total number of wells (excluding Out of Service Wells). Wexpro will provide SWFA for any Low Producing Well that exceeds the 10% threshold. All current Low Producing Wells are Federal wells. .

Wells Applicable to Rule 702: There were two (2) wells that are applicable to Rule 702 at the time of transfer approval; shown in *Table C* below.

Table C: Wells Applicable to Rule 702

Well Name	API Number	Well Status
Sparks Ridge 1	05-081-07298	Producing
Sparks Ridge 2H	05-081-07450	Producing

II. Current Inactive Well List

The wells listed below have been shut-in or not produced for a period of 12 consecutive months or is a well that has been TA for 6 consecutive months. Wexpro Development Company currently has no inactive wells.

Asset Retirement Planning

- a. **How we plan for retirement based on projected life of the field, age of the infrastructure, out of service, inactive and low producing wells and related info. For each inactive well, identify the reason for no or low production and the planned date to RTP or plug the well.**

Dominion Energy Wexpro Development Company (“Wexpro”) develops and produces gas reserves in Moffat County, Colorado on behalf of our utility, Dominion Energy, and delivers natural gas at its cost of service under the “Wexpro Agreement” established in 1981.

Wexpro Development Company provides financial assurance to the Federal government on 2 wells in Colorado. At the end of calendar year 2022, Wexpro had no low producing wells.

Wexpro has an ARO (asset retirement obligation) account set up for each well where a percentage of profits are saved during the life of a producing well. Funds from the ARO account will be used towards costs to remove production equipment, remove facilities at the well site, properly plug and abandon the wellbore and restore the surface land to its original state before the oil and gas extraction. See Attachment “B” identifying the current ARO balance for each Colorado well.

In addition, Wexpro Company has been the Operator over 100 wells in this area for over 40 years and is not an at-risk operator. Wexpro Company has the technical and financial capability to maintain, abandon, remediate and reclaim the well sites.

Wexpro assesses the projected lives of the Sparks Ridge fields to be 45 years. This estimate is highly uncertain. This prediction is based on Wexpro’s plan to develop new wells in this field over the next 10 years during a period of forecasted high prices and that these wells would be forecasted to be economic for roughly 40 years. Existing wells and infrastructure continue to be maintained and upgraded as needed. Life expectancy of existing wells ranges from 1 to 30 years.

As well depletion occurs; Wexpro evaluates the well for workover, recompletion and injection potential prior to plug and abandonment. A majority of the wellbores are straight hole and existing well pads may be utilized for future directional drilling projects to minimize the need for additional surface disturbance to occur.