



COLORADO
Energy & Carbon Management
Commission
Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203



02415537

#10831

March 26, 2024

Attn: Sydney Hommel
Spellbound Energy LLC
511 16th Street Suite 600
Denver, CO 80202

RE: Spellbound Energy LLC – Operator #10831
Check #002495 for \$54,000.00.

Sydney Hommel:

The Colorado Energy and Carbon Management Commission (ECMC) received the company check, in the amount of \$54,000.

The check is returned as unacceptable. Company and Personal checks are not acceptable instruments for financial assurance. The check must be a Certified or a Cashier's Check made payable to the Colorado Energy and Carbon Management Commission.

In addition, please submit Form 3I Performance Bond with the Cashier's Check.

Should you have any questions or concerns, Please contact Sadaf Ibrahim at 720-666-8132 or email at sadaf.ibrahim@state.co.us.

Sincerely,

Sadaf Ibrahim,
Financial Assurance Analyst

XC: Operator file
Enclosure(s): Check # 002495 amount \$54,000.
Instructions for Cashier's Check
Form 3I Performance Bond



7021 1970 0002 0152 6551

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at usps.com

OFFICE

Certified Mail Fee

\$

Extra Services & Fees (check box)

Return Receipt (hardcopy)

Return Receipt (electronic)

Certified Mail Restricted

Adult Signature Required

Adult Signature Required (over 21)

Postage

\$

Total

\$

Postmark Here

Spellbound Energy LLC
Attn: Sydney Hommel
511 16th Street Suite 600
Denver, CO 80202

Street

No.

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SPELLBOUND ENERGY LLC

511 16th Street, Suite 600
Denver, CO 80202
(303) 407-8630

1st Bank
www.efirstbank.com
(800) 964-3444
82-504/1070

002495
2495

PAY Fifty-four thousand dollars and no cents
TO THE
ORDER OF

DATE 02/26/2024
AMOUNT \$**54,000.00*

Financial Assurance
c/o ECMC
1120 Lincoln, Suite 801
Denver, CO 80203

Elysha Hammel
Authorized Signature



SPELLBOUND ENERGY LLC - 511 16th Street, Suite 600 - Denver, CO 80202 - (303) 407-8630

002495

To: Financial Assurance
c/o ECMC
1120 Lincoln, Suite 801
Denver, CO 80203

Vendor Code
ECMC

Check Date
02/26/2024

Check Amount
\$54,000.00

Check Number
A-2495

Invoice #	Invoice Amt
10831-403661685	54,000.00



**FINANCIAL ASSURANCE PLAN
 NOTICE OF DECISION**

**Spellbound Energy LLC - 10831
 Form 3 - 403661685
 Effective January 26, 2024**

The Director of the Energy and Carbon Management Commission (ECMC or Commission) has **approved** the above referenced Form 3, Financial Assurance Plan, a summary of which is provided in Attachment 1.

The approved Option 2 Plan requires the following Financial Assurance amounts to be submitted "as soon as practicable but no later than within 90 days" of the above date by **submitting a Form 3A** identifying the instruments that will be used and then **submitting those documents to:**

Financial Assurance
 % ECMC
 1120 Lincoln, Suite 801
 Denver, CO 80203

Required Assurance

• Rule 702: \$	54,000
• Rule 703: \$	0
• Rule 704: \$	<u>0</u>
TOTAL	\$ 54,000

RECEIVED
 MAR 04 2024
ECMC



COLORADO
Energy & Carbon Management
Commission
Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203

INSTRUCTIONS FOR CASH/CASHIERS CHECK PLACED WITH THE COMMISSION AS FINANCIAL ASSURANCE

A certified check or cashier's check is an accepted form of financial assurance for compliance to Energy and Carbon Management Commission 700 Series of the Rules. Financial assurance is required in order to ensure that funds are available to cover the costs of plugging and abandonment of wells and associated facilities operated in the State of Colorado by the Operator/Depositor upon failure by the operator to perform.

- 1. Certified and Cashier's checks should be made payable to the Energy and Carbon Management Commission Complete and attach a Form 3I Performance Bond providing detailed information identifying well or facility that are to be covered by the financial assurance submitted. In the line provided for a Bond No# type in cash, and acknowledge that this is a perpetual instrument which shall remain in force and effect until all obligations have been met and the financial assurance is released by ECMC. All data fields should be completed except for surety company information.**
- 2. Provide a completed and signed Form W-9.**
3. Submitted funds will be processed and posted to the Commission website upon approval.
4. Submitted funds will be posted under the operator name and number, and deposited with the State Treasury for safekeeping.
5. Financial assurance placed with the Commission will remain on an **automatically renewing term**.
6. **Interest accrues on the deposited funds and belongs to the Operator/Company.** The interest rate is generally comparable to market rates and fluctuates with same. The interest is not disbursed, but rather is maintained with the original principal amount of the financial assurance. Interest is disbursed to the operator/depositor at the time of the bond release. (Form W-9 is required for release.)
7. **In the case of forfeiture, the ECMC will claim both the principal and accrued interest per the ECMC Policy for Financial Assurance Forfeiture (revised August, 2014).**

Should you have any questions regarding financial assurance, please contact Deborah Lutz, Financial Assurance Supervisor at (720) 921-1349.



FORM
3I
Rev
01/24



COLORADO
Energy & Carbon Management
Commission
Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203

**FINANCIAL ASSURANCE
INSTRUMENT**

FOR COGCC USE ONLY	
Surety Provider No: _____	
OGCC Op No: _____	FATS No: _____

BOND NO: _____ This bond is a perpetual instrument which shall remain in force and effect until all obligations have been met and the bond is released by the Colorado Energy and Carbon Management Commission.

KNOW ALL PERSONS BY THESE PRESENTS, That we, _____ of the County of _____, in the State of _____ as principals, and _____, as surety, authorized to do business in the State of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of (\$ _____), _____ Dollars, lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators, and assigns.

The Condition of this obligation is that whereas the above bounden principals propose the following oil and gas operation(s) on lands situated in the State of Colorado.

Type of Bond	Coverage	Information for Individual Bonds
<input type="checkbox"/> 702 - PA & Reclamation	Gas Facilities	Well, Location, or Facility Name and Number: _____
<input type="checkbox"/> 703 - E&P Waste Facility	<input type="checkbox"/> Blanket	API, Location ID, or Facility ID Number: _____
<input type="checkbox"/> 703 - Remediation Project	<input type="checkbox"/> Individual	Owner of lands where off-site land-treatment facility is located: _____
<input type="checkbox"/> 703 - Seismic Activity	Surface Owner	QtrQtr, Sec, Twp, Rng, Meridian: _____
<input type="checkbox"/> 703 - Gas Facilities	<input type="checkbox"/> Blanket	County: _____
<input type="checkbox"/> 703 - Produced Water	Single Well	
<input type="checkbox"/> 703 - Commercial UIC	<input type="checkbox"/> Irrigated	
<input type="checkbox"/> 704 - Surface Owner	<input type="checkbox"/> Non-irrigated	
<input type="checkbox"/> 707 - Location Reclamation		
<input type="checkbox"/> 707 - Excess Out of Service		
<input type="checkbox"/> 707 - Compliance		

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of Colorado and the rules, regulations and requirements of the Energy and Carbon Management Commission of the State of Colorado, with reference to properly plugging of said well or wells; with reference to land damages and the restoration of the land, as nearly as possible, to its condition at the beginning of the lease; with reference to seismic operations the proper surface restoration and plugging of any shot holes, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Principal: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Witness our hands, this _____ day of _____, _____.
Signed: _____
Printed Name: _____

Surety: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Witness our hands, this _____ day of _____, _____.
Signed: _____
Printed Name: _____

Approved: _____
Director, Energy and Carbon Management Commission
Dated: _____

Bond Release
Approved: _____
Director, Energy and Carbon Management Commission
Release Date: _____