



COLORADO
Energy & Carbon Management
Commission
Department of Natural Resources

FINANCIAL ASSURANCE PLAN NOTICE OF DECISION

SILVER MOUNTAIN ENERGY LLC - 10816
Form 3 - 403306393
Effective February 1, 2024

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

The Plan was denied because of a change in circumstances noted during the review. Specifically, the Operator now has ten Wells subject to Rule 702. **You must submit a new Form 3 within fourteen calendar days of the above date.**

ATTACHMENT 1

Financial Assurance Plan Summary



Form 3 - Financial Assurance Plan

Summary Information Overview

Form Name: **Form 3 - Financial Assurance Plan**
Document Number: **403320808**
Date Submitted: **2/24/2023**

Operator Information

Operator Number: **10816**
Operator Name: **SILVER MOUNTAIN ENERGY LLC**
Operator Address: **31487 STATE HIGHWAY 37**
Operator City: **HINTON**
Operator State: **OK**
Operator Zip: **73047**
First Name: **LONNIE**
Last Name: **WRIGHT**
Contact Phone: **(405) 542-7836**
Contact Email: **lonnie@sme.llc**
Initial Plan:
Docket Number: **0**
Commission Order: **1-null**
Subsidiary Operators: **None**
Revised Plan Description:
Operator Transfer Type:
Operator's Total Oil Production: **0**
Operator's Total Gas Production: **0**
Operator's Aggregate GOR: **0**
Operator's GOR Determination:
Operator's Average Daily Per-Well Production: **N/A**
Public Company: **NO**
Current Approved Plan Option:

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 | 0 | 0 | 0 | 0 |
| Producing | 0 | 0 | 0 | 0 |
| Shut In | 0 | 0 | 0 | 0 |
| Suspended Operations | 0 | 0 | 0 | 0 |
| Temporarily Abandoned | 0 | 0 | 0 | 0 |
| Waiting on Completion | 0 | 0 | 0 | 0 |
| TOTALS | 0 | 0 | 0 | 0 |

Well Designation Data

| Designation | Total | With Federal Financial Assurance | Tribal Wells | Subject to Rule 702 |
|---------------------------|-------|----------------------------------|--------------|---------------------|
| Defined Inactive | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 |

Number of Inactive Wells: **0**

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: **Silver Mountain intention are to put inactive wells in-production.**

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

Cash Bond:

Escrow Account:

Letter of Credit:

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

Plan Options

Financial Assurance Plan Option: **4**

Financial Assurance for Wells Option 4

Operator chooses to use their Demonstrated Costs for Single Well Financial Assurance (SWFA):

Total Number of Wells: **0**

Number of Wells with SWFA: **0**

Amount of SWFA using COGCC Costs: **\$0.00**

Amount of SWFA using Operator's Demonstrated Costs: **\$0.00**

Number of Transferred Low Producing Wells with Other Financial Assurance: **0**

Amount of Other Financial Assurance for Transferred Low Producing Wells: **\$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 Amount of Financial Assurance Required Pursuant to Rule 702.d.(3).B.: **\$0.00**

Annual Contribution Amount: 10% of Total Amount: **\$0.00**

Operator's Modified Annual Contribution Amount: **\$98,000.00**

Operator's Modified Annual Contribution Amount: **0%**

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: **\$0.00**

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: **\$98,000.00**

Attachments

Attached Files:

| Doc Num | Attachment name | File name | Uploaded |
|-----------|---------------------------------------|-------------------------|------------------------|
| 403320824 | CERTIFICATION OF FINANCIAL CAPABILITY | Financial assurance.png | 02/14/2023 03:06:18 PM |

Signature and Certification

Form Created: 2/14/2023

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: **LONNIE WRIGHT**

Title: **PRESIDENT**

Email: **lonnie@sme.llc**

Phone: **(405) 542-7836**

Signature:



Associated Documents

403329756 - FORM 3 SUBMITTED

403329757 - FORM 3 WELL LIST

403329758 - FORM 3 INACTIVE WELLS

403329759 - FORM 3 OTHER FINANCIAL ASSURANCE

403329760 - FORM 3 PLUGGED WELLS HAVE NOT PASSED FINAL RECLAMATION

General Comments

| User Group | Comment | Comment Date |
|------------|---|--------------|
| | The Plan was denied because of a change in circumstances noted during the review. Specifically, Administrator the Operator now has ten Wells subject to Rule 702. You must submit a new Form 3 within fourteen calendar days of the above date. | 02/01/2024 |

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Jared S. Polis, Governor | Julie Murphy, Director | Scott Cuthbertson, Deputy Director Operations

