



Form 3 - Financial Assurance Plan

Summary Information Overview

Form Name: **Form 3 - Financial Assurance Plan**
Document Number: **403722862**
Date Submitted: **3/18/2024**
Date Approved: **9/10/2024**

Operator Information

Operator Number: **10825**
Operator Name: **RHVO INVESTMENTS I LLC**
Operator Address: **558 CASTLE PINES PKWY UNIT B-4, PMB 412 ATTN: BRENT BONGERS**
Operator City: **CASTLE PINES**
Operator State: **CO**
Operator Zip: **80108**
First Name: **Brent**
Last Name: **Bongers**
Contact Phone: **(361) 935-5633**
Contact Email: **bbongers@impetroresources.com**
Initial Plan: ☒
Revised Plan: ☐
Docket Number:
Commission Order:
Subsidiary Operators:

ECMC Operator Number	Subsidiary Operator Name
10330	INVESTMENT EQUIPMENT LLC
10690	IMPETRO RESOURCES LLC

Revised Plan Description:
Operator Transfer Type:
Operator's Total Oil Production: **160,032**
Operator's Total Gas Production: **3,810**
Operator's Aggregate GOR: **23.81**
Operator's GOR Determination: **BOE**
Operator's Average Daily Per-Well Production: **3.01 BOE**
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	18	0	0	18
Producing	103	0	0	103
Shut In	38	0	0	38
Suspended Operations	0	0	0	0
Temporarily Abandoned	5	0	0	5
Waiting on Completion	0	0	0	0
TOTALS	164	0	0	164

Well Designation Data

Designation	Total	With Federal Financial Assurance	Tribal Wells	Subject to Rule 702
Defined Inactive	23	0	0	23
Noticed Inactive	13	0	0	13
Inactive Exception	0	0	0	0
Out of Service	1	0	0	1
Out of Service Repurposed	0	0	0	0
Low Producing	61	0	0	61

Number of Inactive Wells: 22

Number of Wells Plugged (2024): 0

Number of Wells Plugged (2023): 0

Number of Wells Plugged (2022): 0

Number of Wells Plugged (2021): 2

Asset Retirement Planning Description: RHVO, and by implication its subsidiaries, anticipates the life expectancy of its wells to exceed forty (40) years. This calculation is based on historical production, estimated reserves, and associated decline curves. Due to the highly efficient water-drive in the J/D-sand in Eastern Colorado the wells experience a very low (2-3%) final decline. Under the ECMC’s definition, RHVO’s wells are defined as producing in paying quantities, with a BOE average of over 3.04, representative decline curves are included. RHVO’s wells are located throughout Eastern Colorado, including in Washington, Weld, Adams, Logan, Morgan, Kiowa, and Cheyenne counties. Equipment age ranges from five (5) to thirty (30) years and is regularly maintained, replaced, or repaired. When the wells have reached the end of their useful life, RHVO will act as a prudent Operator and plug, abandon, and reclaim the wells and associated locations in compliance with ECMC requirements.

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:	2	2
Dry & Abandoned (DA) Wells:	0	0
Plugged & Abandoned (PA) Wells:	23	22
TOTAL:	25	24

FA Types & Bond Riders

Cash Bond: ☒

Surety Bond: ☒

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

Plan Options

Financial Assurance Plan Option: **3**

Financial Assurance for Wells Option 3

Operator's Demonstrated Costs

TVD <= 4,000 ft:

\$ **10,000.00**

TVD > 4,000 & <= 8,000 ft:

\$ **30,000.00**

TVD > 8,000 ft:

\$ **40,000.00**

Location Reclamation Cost:

\$ **17,700.00**

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

Total Number of Wells: **164**

Number of Wells with SWFA: **164**

Amount of SWFA using ECMC Costs: **\$21,170,000.00**

Amount of SWFA using Operator's Demonstrated Costs: **\$7,672,800.00**

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.: **\$7,672,800.00**

Annual Contribution Amount: 5% of Total Amount: **\$383,640.00**

Operator's Modified Annual Contribution Amount: **\$0.00**

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: **6**

Amount of Financial Assurance for Produced Water Transfer Systems: **\$30,000.00**

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: **\$383,640.00**
Amount of Financial Assurance Required per Rule 703: **\$1,500.00**
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: **\$385,140.00**

Attachments

Attached Files:

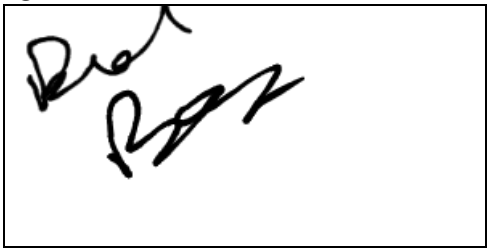
Doc Num	Attachment name	File name	Uploaded
403722880	CERTIFICATION OF FINANCIAL CAPABILITY	10.2023 Cert Of Financial Capability.pdf	03/18/2024 12:19:37 PM
403722881	SUPPORTING EVIDENCE FOR DEMONSTRATED COSTS - CONFIDENTIAL	RHVO Demonstated Costs_FNL_Confidenital.pdf	03/18/2024 12:20:00 PM
403722883	SUPPORTING EVIDENCE FOR DEMONSTRATED COSTS - REDACTED	RHVO Demonstated Costs_FNL_Redacted A.pdf	03/18/2024 12:20:22 PM
403722885	SUPPORTING EVIDENCE FOR DEMONSTRATED COSTS - REDACTED	RHVO Demonstated Costs_FNL_Redacted B.pdf	03/18/2024 12:20:59 PM
403916015	NOTICE OF DECISION/COMMISSION ORDER	10825 RHVO Investments LLC Notice of Decision - 403722862.pdf	09/10/2024 03:19:03 PM

Signature and Certification

Form Created: **3/18/2024**
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.

Operator Comments: **This Form 3 replaces Impetro Resources' denied Form 3 Document No. 403187038, Investment Equipment's denied Form 3 Document No. 403242828, as well as RHVO's Form 3 Document No. 403559389 that was originally submitted on 10/13/2023.**

Name: **Brent Bongers**
Title: **President/COO**
Email: **bbongers@impetroresources.com**
Phone: **(361) 935-5633**
Signature:



Associated Documents

403722894 - FORM 3 WELL LIST
403722895 - FORM 3 INACTIVE WELLS
403722896 - FORM 3 OTHER FINANCIAL ASSURANCE
403722897 - FORM 3 PLUGGED WELLS HAVE NOT PASSED FINAL RECLAMATION
403722898 - FORM 3 SUBMITTED

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.Rule 702.d.(3).C. for Option 3 plans and Rule 702.d.(4).C. for Option 4 plans states "The contribution amount of the Operator's Contributed Financial Assurance will increase each year..." The annual contribution shown in the approved plan is required in addition to any assurance already provided until such time as the entire approved amount is provided. Initial contributions are required within 90 days of initial plan approval. Subsequent annual contributions are required by July 1 of each year.

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.

The plan includes a specific acceptance to allow the operator to base the required Single Well Financial Assurance on the operator's demonstrated costs. That aspect of this approval is subject to change based on further review and analysis as part of the annual plan review required by Rule 707.a.(1).D. or other review of actual Plugging, Abandonment, or Reclamation costs.

General Comments

User Group	Comment	Comment Date
Financial Assurance	Demonstrated Reclamation costs were rounded from \$17,676.67 per Location to \$17,700.	09/10/2024

