

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE OIL & GAS) CAUSE NO. TBD
CONSERVATION COMMISSION OF THE)
STATE OF COLORADO SOLICITING) DOCKET NO. 210200013
INFORMATION REGARDING FINANCIAL)
ASSURANCE) TYPE: INFORMATIONAL

NOTICE AND APPLICATION

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 503.a, the Oil and Gas Conservation Commission of the State of Colorado ("Commission"), on its own motion, hereby opens a Financial Assurance Informational Docket. The questions that the Commission would like participants to solicit information about are attached.

The Commission has the authority to conduct this hearing pursuant to Commission Rule 904.c. Attached as **Exhibit A** is the list of the Commission's Financial Assurance Informational Docket Questions.

NOTICE IS HEREBY GIVEN that the Commission has scheduled the above entitled matter for a hearing commencing on:

Date: March 31, 2021
Time: 9:00 am
Place: Only virtually via Zoom
Computer: <https://us02web.zoom.us/j/88591555992>
Meeting ID: **885 9155 5992**
Phone: **(253) 215-8782**

Public Participation. The Commission encourages the public to participate by commenting and providing information in advance of the hearing. Any person may submit written comments in advance of the hearing pursuant to the procedures described below. In addition, any person may participate in the process and offer oral comments specific to the Financial Assurance Informational Docket during the public comment period at the hearing. The Commission may place a time limit on public comments during the hearing depending on the number of people who wish to comment.

Oral public comments at the Informational Docket hearing will only be accepted virtually through Zoom. The Commission will make available the opportunity for persons to sign up to make oral comments during the hearing. Those who sign up in advance will be given priority during the public comment period. Instructions for oral public comments

will be provided and announced on the COGCC website. Sign up for oral comments will be due by **Monday, March 15, 2021, at 5 p.m.**

Written Statements

Any Person wishing to submit a written statement or comment for this matter must register with the COGCC's eFiling system online at <https://oitco.hylandcloud.com/DNRCOGExternalAccess/Account/Login.aspx>, and select "Request Access to Site." Additional guidance regarding the registration and use of the eFiling system is available online in the Commission's "eFiling Users Guidance Book" at https://cogcc.state.co.us/documents/reg/Hearings/External_Efiling_System_Users_Guide_book_20201109.pdf. Please direct questions regarding registration and use of the eFiling system to Commission Legal Assistant Angelica Amaro at angelica.amaro@state.co.us, and Hearings Assistant Margaret Humecki at margaret.humecki@state.co.us.

Written Statements Shall Contain the Following:

1. The name of the Interested Person.
2. Presentation materials are limited to ten double-spaced pages with 12-point font, excluding any attached exhibits.
3. Written comments and presentations will be due by **Monday, March 15, 2021, at 5 p.m.**
4. Interested Persons may submit documents that are relevant to the Commission's questions or cited within the written presentation materials as exhibits through the eFiling system.

The Hearing Officer assigned to this docket is Elias Thomas. He will determine the final time allocations for each Interested Person to present its statement after consideration of, among other things, the number of Interested Persons wishing to participate in the hearing. Interested Persons are not required to provide oral presentation—written statements may be sufficient.

Consolidation

Interested Persons are highly encouraged to file combined statements on behalf of multiple Interested Persons. The Commission recognizes that Interested Persons may share similar viewpoints and positions. Having several Interested Persons join together to deliver a combined, consistent position is impactful and aids the Commission throughout the hearing process. Recognizing the possible large number of Persons interested in this Informational Docket, the Commission and the hearing process will be most effective if Interested Persons combine their arguments and positions.

Conclusion

Any questions concerning this application or any other aspect of this matter may be addressed to the Hearing Officer, Elias Thomas, at elias.thomas@state.co.us and Angelica Amaro, at angelica.amaro@state.co.us.

Additional information regarding this matter can be found on the Commission's "Hearings eFiling System Document Search" webpage, located at <https://oitco.hylandcloud.com/DNRCOGPublicAccess/index.html>. Select "Search for Docket Related Documents" from the pull-down menu, use "Docket Number 210200013" and select "Search."

Please contact Margaret Humecki at Cogcc.Hearings_Unit@state.co.us prior to the hearing if any party requires special accommodations as a result of a disability. Special accommodations will be provided in accordance with the Americans with Disabilities Act.

OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

By: 

Angelica Amaro, Interim Secretary

Dated: February 24, 2021

Exhibit A



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203

FINANCIAL ASSURANCES INFORMATIONAL DOCKET

At its February 10 Hearing, the Commission discussed the upcoming Financial Assurances rulemaking. The Commissioners requested this document be posted and made available to the public. The Commission is opening an informational docket, in which the public will be able to provide comment on these questions. We will post under News and Notices when the informational docket has been opened and how public comment can be provided.

COMMISSIONER QUESTIONS

(for Stakeholders to address in a formal Informational Docket request)

1. What should be the appropriate goal of financial assurance?
2. What existing oil and gas financial assurance (FA) models are there in other jurisdictions (municipalities, counties, states, or internationally)?
3. What other models (or particular aspects of related models) in other industries can we draw from?
4. What aspects of our current FA rules are working well?
5. What are current challenges/hurdles?
6. What is the intended or best-case state of doing things (i.e. what improvements are being sought, what is to be accomplished, what knowledge gaps sought to be filled)?
7. How does FA intersect with other rule series, including upcoming permit fee rulemaking, and what considerations should we be thinking about?
8. What are some of the advantages and disadvantages of some of the approaches contemplated in the 2018 Technical Workgroup analysis, the SOGRE report and other studies?
9. Should wells or sites that are currently orphaned be addressed separately from FA “moving forward” (i.e., do we need to first A. figure out how to fund and plug and abandon [P&A] current orphaned wells, or inactive [idle/shut-in] wells at risk of being orphaned, and B. separately determine how to adequately address FA moving forward so the state is less at risk of having to P&A orphaned wells and/or sites after FA rules are updated?

10. Should funding orphaned well cleanup be treated differently than FA for wells currently operated which may be active, low-producing or inactive (shut-in)?
11. What equity issues exist for FA (e.g., small vs large operators, oil vs gas, high-producing wells vs. “stripper” (low-producing) wells, other)?
12. Is there an agreed upon definition for a well that is at the “end of its life” and needs to be plugged and remediated?
13. Is the definition of an inactive well effective in incentivizing operators to plug wells when appropriate and disincentivizing operators from keeping wells “alive” in order to defer/avoid P&A costs?
14. Are there ways to incentivize interim site reclamation and still ensure sufficient FA for final P&A of wells (including full or agreed-upon/approved site remediation)?
15. Are there ways to incentivize active operators to P&A priority orphaned wells/sites (even when orphaned by other/inactive operators) as part of reducing overall cumulative impacts/emissions impacts?
16. What could be ways to tease out the differences among inactive wells that are truly idling temporarily (and the operator has a plan for the wells) or those that are idle and without a clear exit (or return to production) strategy, to create different bonding/assurance structures?
17. Please provide any additional information that you think important to this Financial Assurances Informal Informational Docket.