



Orphaned Well Program

Hickenlooper EO July 18, 2018: \$5M Fund
 365 Orphaned wells identified
 63 High Priority of which 21 are 'Completed'
 31 claim 'Completed'
 but 10 still have work planned TBD

Average cost of the 31 = \$167K (\$5.2M) : 21 Completed = \$247K

Colorado Oil and Gas Plugging and Abandonment

Bond Amount	Bond Description
\$10,000	Any well less than 3,000 feet deep
\$20,000	Any well 3,000 feet deep or more
\$60,000	A group of wells under 100
\$100,000	A group of 100 or more wells

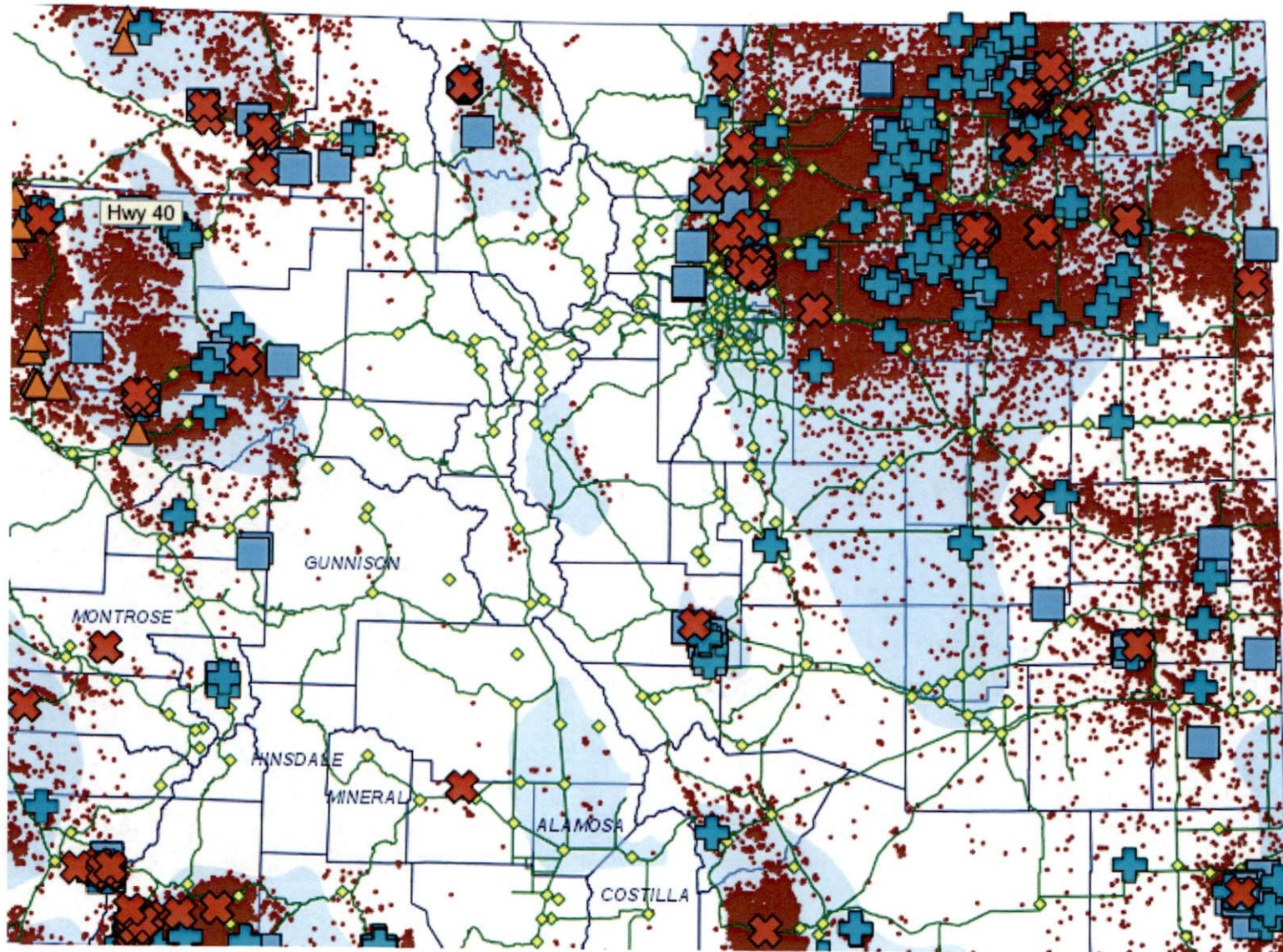
Source: Colorado Oil and Gas Conservation Commission

Bob Randell, executive director of the Department of Natural Resources, told reporters that the COGCC is working to prioritize a list of the wells, to be **categorized based on criteria such as population density, the proximity of "sensitive resources," and the history of violations at the well site.**

Location of the 63 Wells

RED X = 'Completed' (or maybe not)

Blue + = 'Planned'

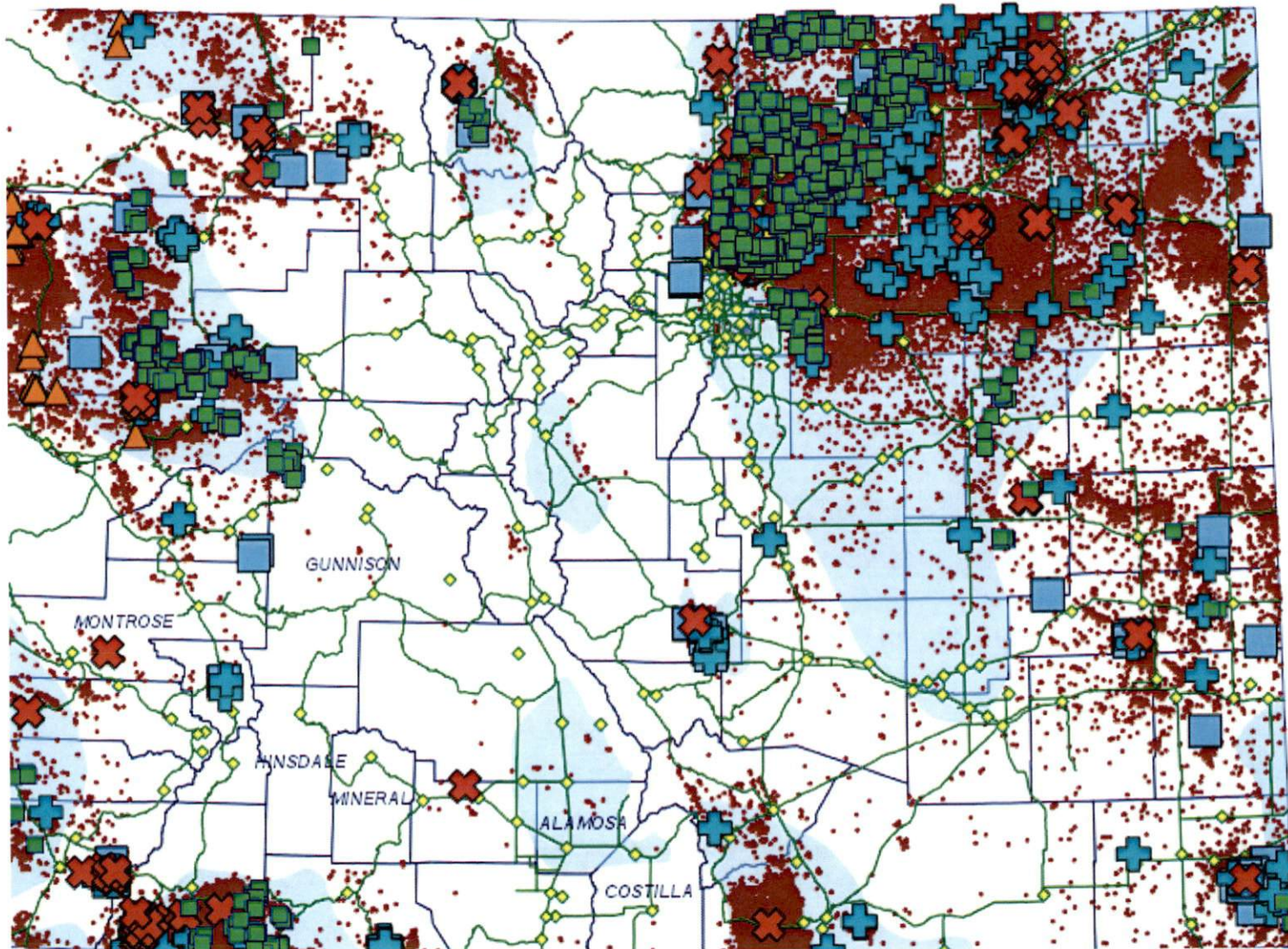


Location of the 63 Wells

RED X = 'Completed' (or maybe not)

Blue + = 'Planned'

Green ■ = Approved Well Permit



Notable Quotes and Data

Gov. John Hickenlooper Wednesday signed an executive order that directs the COGCC to clean up **some of the state's more than 530 "orphan" oil and gas wells** around the state. ($530 \times \$83,500 = \44.25M)

The cost estimated to plug, remediate and reclaim all of the wells is \$25 million {Ed note: $530 \times \$167\text{K} = \88.5M }

Matt Lepore, who was then the COGCC's executive director, told KDVR-Fox31 last February that it costs about \$80,000 to clean up an orphan well and that the COGCC can clean up 10 to 12 wells per year. Hickenlooper's executive order identifies 262 orphan wells that need to be plugged and another 373 that need remediation. ($262 + 373 = 635$ so where did we get the number 530? A: from a press release.)

$635 \times \$80\text{K} = \$50.8\text{M} \mid \$167\text{K} = \106M

"I worry about the number of future orphan wells," Lepore told KDVR. "To me, the orphan well situation is a little like a hurricane sitting offshore and you know it's out there and you know it's coming ashore, you just don't know if it's going to be a tropical storm or a Category 5."

"This order directs the COGCC to use the money it **ALREADY COLLECTS** from oil and natural gas taxes to plug and reclaim these wells, which makes a great deal of sense," said Dan Haley, COGA's president and CEO.

EX: Texas Tea bankruptcy total of 28 wells of which only 9 are on the Orphaned Well Program, 8 in Adams Co

Total O&G Wells and Status in CO

(5/17; source COGCC/Denver Post)

Total Abandoned = 52,496 !!!

