

June 27, 2022

Colorado Oil & Gas Conservation Commission
Financial Assurance Division
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Polaris Production OpCo, LLC
Financial Assurance Plan
Lincoln County, Colorado

Polaris Production OpCo, LLC ("Polaris") has reviewed the COGCC financial assurance rules and hereby proposes the below financial assurance plan, to be effective as of the July 1, 2022 transfer date. Polaris qualifies for the **Option 2** Financial Assurance plan as the average daily per well production exceeds 15 BOE and is less than or equal to 60 BOE over the previous 12 months.

The twenty-four (24) wells being transferred are:

Well Name	County	Sequence
Snowbird 9-16	073	06358
Steamboat Hansen 8-10	073	06361
Whistler 6-22	073	06481
Taos 1-10	073	06520
Big Sky 4-11	073	06523
Silverton 16-10	073	06528
Big Sky 5-11	073	06552
Big Sky 12-11	073	06556
Big Sky 14-11	073	06559
Big Sky 13-11	073	06560
Snowbird 16-15	073	06561
Telluride 13-2	073	06562
Snow King 13-33	073	06582
Blackcomb 5-14	073	06601
Blackcomb 3-14	073	06602
Snow King 9-32	073	06637
Mary Jane 8-5	073	06667
Keystone 3-7	073	06683
Crested Butte 2-14	073	06695
Monarch 10-15	073	06699
Mary Jane 13-5	073	06722
Mary Jane 11-5	073	06724
Blackcomb 12-14	073	06610
Arikaree Creek SWD	074	06571

Producers / Injectors / Disposal wells

The fifteen (19) wells listed below are either injection / disposal wells or current producers with one (1) of these being classified as a low producer (Mary Jane 11-5, Sequence 06724).

Well Name	County	Sequence
Snowbird 9-16	073	06358
Steamboat Hansen 8-10	073	06361
Taos 1-10	073	06520
Big Sky 4-11	073	06523
Silverton 16-10	073	06528
Big Sky 5-11	073	06552
Big Sky 12-11	073	06556
Big Sky 13-11	073	06560
Snowbird 16-15	073	06561
Snow King 13-33	073	06582
Blackcomb 5-14	073	06601
Blackcomb 3-14	073	06602
Snow King 9-32	073	06637
Mary Jane 8-5	073	06667
Keystone 3-7	073	06683
Mary Jane 13-5	073	06722
Mary Jane 11-5	073	06724
Blackcomb 12-14	073	06610
Arikaree Creek SWD	074	06571

These 19 wells will be bonded at \$18,000.00 per well (\$342,000.00 total) pursuant to Rule 702.d(2) B.1.i.aa. The one low producer will be covered by the above blanket bond pursuant to Rule 702.d(2) B.1.ii.bb.

Pending Return to Production wells

The two (2) below wells have operations pending to return them to production

Well Name	County	Sequence
Telluride 13-2	073	06562
Crested Butte 2-14	073	06695

Polaris proposes to bond these two wells at \$18,000.00 per well (\$36,000.00 total) as each well is anticipated to be returned to production within the next 120 days.

Plugging Candidates

Once available from the COGCC, Polaris intends to list the two (2) below wells on its Form 6A and plug these wells in accordance with Rule 434.d(4)B.i. As such, no additional bonding is proposed.

Well Name	County	Sequence
Whistler 6-22	073	06481
Big Sky 14-11	073	06559

Previously Plugged well

The below well has previously been plugged and sundry notices have been filed by the transferring operator. As such, no additional bonding is proposed.

Well Name	County	Sequence
Monarch 10-15	073	06699

The total amount of financial assurance proposed by Polaris, in accordance with the above breakdown, is \$378,000.00, such amount to be provided via a surety bond. After extensive review, we believe this financial plan conforms to the current financial assurance rules.

Please feel free contact the undersigned at (713) 824-8153 or via email at hdelahunay@del.energy.

Sincerely,

Henri deLaunay