

NEW INSTRUMENTS

- 1. Num instrument number assigned by surety
 - Search to confirm no others match. If another exists, ensure different surety and prepend 0s to make unique number.
- 2. Received receipt date of instrument

Division – division holding instrument. Engineering (ENG), Injection & Mining (IMD), Oilfield Site Restoration (OSR), Environmental (ENV)

- 3. Accepted By person who reviewed instrument
- 4. Accepted date instrument has received final approval and review (ie, review completed by attorney and signatures acquired by Commissioner and witnesses, as applicable)
- 5. Approval date instrument has received final approval and review
- 6. Effective effective date assigned by surety
- 7. Maturity maturity date of Certificate of Deposit or Letter of Credit
- 8. Released date mailed back to surety; OSR utilizes this field as "closed" date of SSTA also.
 - Once released, Status should read "SECURITY RETURNED TO"

Type – Performance Bond (BOND), Certificate of Deposit (CD), Letter of Credit (LOC), Plugging Credit (PC)

- Cash and other are additional options; however, Engineering Division ONLY accepts above items per LAC 43:XIX.104.B
- Plugging Credits are in reference to April 2019 promulgated rules in LAC 43:XIX.104.J.
 See <u>FS website</u> for more information.
- 9. Status should only utilize APPROVED, SECURITY RETURNED TO, CALLED SECURITY, COLLECTED, COLLECTED-USED, REFUND-PREV COLLECTED
- 10. Location –L Land, WI Water-Inland, WO Water-Offshore. B types utilized by Engineering Division.
- 11. Well Depth if instrument is by footage, total footage should be keyed in
- 12. Amount total amount of instrument
- 13. Comments any necessary clarification (ie, note of duals, if in combination with another instrument, calling data, blanket instrument with no Exhibit A, etc.)
 - For ENV, should include site ID
- 14. Operator operator code of operator that established instrument
 - If transferred to a different operator, an end date should be added and new operator code added
- 15. Serial Number serial number listed on Exhibit "A"
- 16. Reason typically "Security required by New Operator" or "Required by Well Regulation/Permit"
- 17. Begin Date date instrument has received final approval and review
- 18. End Date date deleted from instrument via amendment; file reviewed and well p&a'd, site cleared, site clearance completed (if needed); or date financial security released
- 19. Surety double click in field and find surety. Surety organization ids are unique by surety and address. If surety is red (example below) there is an outstanding matter. Review red flag from OR1 screen by surety organization id; forward new instrument to attorneys with note of outstanding matter to determine if new instrument should be accepted.



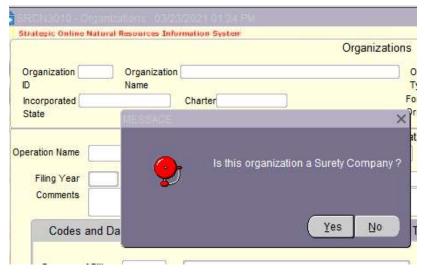
• If surety is not in list of values, verify bank is active with FDIC or surety is listed on US Dept of Treasury website as certified. If not, new surety should not be keyed in.

CREATING NEW SURETY RECORDS IN SONRIS

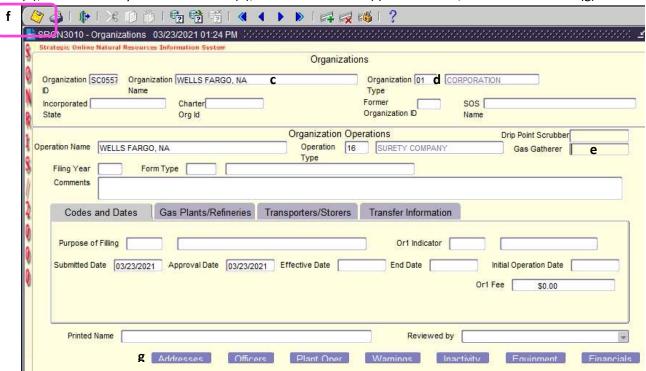
Place cursor in SURETY field (a), then select *Organization Info/Surety Comp* from dropdown menu and select "Go" (b).

/lew Image View Mag Get Data	Organization Info/Surety Comp b G
SRCN9500 - Maintain Well Financial Security 03/23/2021 12:46 PM Strategic Online Natural Resources Information System Num 1568029167 Received 02/08/2001 Division © ENG Accepted By JOHN ALDRIDGE Accepted 02/22/2001 Approval 02/22/2001 Effective 02/01/2001 Type BOND CD © LOC Cash Status SECURITY RETURNED TO Location L Land Well Depth Amount \$12,496.00 Comments CO 00-0337, ALL WELLS P&A OR RET TO PROD Total Wells Applied 0 Total Amen	Maturity Released 10/22/2002 PC Other Maximum Wells Allowed IMD Cost dments 0 ld 87
OPERATOR	PHOENIX - COMCO, INC. P. O. BOX 86
WELL SERIAL Reason	End Date 10/22/2002 JONES-SPD THIGPEN-HEROLD B-
SURETY SC0033 End Date 10/22/2002 End Date BANKONE, LA, N.A.	Address Address P O BOX

Select the Tab key on your keyboard, then "Yes" in the popup to generate the new surety organization id.



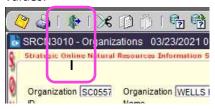
The next SC code will populate. Key in the bank/surety name (c); type in 01 for the *Organization Type* (d); tab all the way to *Gas Gatherer* (e), then select "Save" (f). Once saved, select "Addresses" (g).



Key in Address Type as 01 (h), then mailing address (i). Select Save (j). Select Back (k)...

	gic Online Natural Resources Information System Operation Na	Organization Operations WELLS FARGO, NA	
		Contacts and Addresses	
(A)	Contact Name Contact Contact Name Contact Contact Name Contact Contact Name Contact	Contact Title Address Type 01 h MAILING Email Address Attention Name Address 1000 AMERICA STREET City NEW ORLEANS Zip Code 70000-0000 District Code Description	
*	Name	Expiration Date	

...then select *Exit* (I) to return to the financial security form. The new surety will display in the list of values.



j

AMENDMENTS

- 20. Num amendment number assigned sequentially by Conservation
- 21. Amend Date -date final review completed
- 22. Effective date listed by surety as effective
- 23. Approved date final review completed
- 24. Comments description of amendment (ie, "Four wells added to Exhibit 'A'" or "Operator amended from Operator A to Operator B"
- *Note if wells are being added via amendment, they should be listed in field 15. The begin date (17) should be the amendment approval date (23).

CALLING INSTRUMENTS

Status (field 9) should be changed to CALLED SECURITY.

Comments (field 13) should be updated with date instrument was called and reason why.

COLLECTED INSTRUMENTS

Comments (field 13) should be updated with date instrument collected. Additional end dates (to operator, well serial numbers, surety, etc.) should NOT be added in any other fields.

RELEASED INSTRUMENTS

Released (field 8) should be date instrument released to surety.

End dates should be added to well serial number.

EXPIRED INSTRUMENTS

Comments (field 13) should be updated with the date instrument expired.

End dates should be added to well serial numbers.

ENGINEERING BLANKET LOCATION TYPES

Engineering instruments with the max blanket amounts/special language on Exhibit A will have wells added to form via database triggers when 1) the active financial security location type is changed to BX%, 2) operator code is ended and new operator code added to financial security, and/or 3) well financial security location is changed.

When operator changes are processed, end dates will be added to wells that are on active BX% instruments (ie, former operator) and the wells will be inserted to new operator's financial security if the well's financial security location matches the operator's BX% financial security type. The well update triggers are for active BX% instruments, which are Division = ENG, Status = Approved, Released date is null, operator end date is null. Wells will be added if the well operator is the same and wells classification not in I, V and well status code not in 03, 28, 29, 30, 90, 82. Note- the insert of wells will occur for one active BX% record for the operator.

Wells will not be ended if status changes to p&a since file review is necessary to confirm site restoration or site clearance (if warranted- ie, water locations on State leases only).

POLICY - OTHER NOTES

If a company is orphaned, financial security called, well (or wells) subsequently transferred to another operator, financial security SHOULD NOT be refunded to the orphaned company until the well (or wells) have been plugged and abandoned.

Water location wells on State Leases (SL in well name) ALWAYS require site clearance prior to being deleted from the Exhibit A. Site clearance replaces LFIRs, so a CES inspection is not required on SL water location wells.

Adding end dates to operator/surety should only happen if replaced with another entity or if instrument is released.

In lieu of inspections, we can utilize Coastal Management's CUP data (if available) to verify that a site in the coastal zone has been restored. Coastal's database includes pictures of site restoration activity.