

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D.C. 20240  
<http://www.blm.gov>

July 3, 2013

In Reply Refer To:  
3100 (310) P

Instruction Memorandum No. 2013-151  
Expires: 09/30/2014

To: All Field Officials

From: Assistant Director, Minerals and Realty Management

Subject: Oil and Gas Bond Adequacy Reviews **DD: 04/30/2014**

**Program Areas:** Federal Oil and Gas Operations and Lease Adjudication.

**Purpose:** This Instruction Memorandum (IM) supplements existing policy and guidance for conducting bond adequacy reviews for operations on Federal oil and gas leases. This updated policy requires that Bureau of Land Management (BLM) field offices regularly review oil and gas bonds to determine whether the bond amount appropriately reflects the level of potential risk (liability) posed by the operator. This IM does not address Indian oil and gas bonds; appropriate provisions at 25 CFR, Subchapter I, govern these bonds.

**Policy/Action:** Each BLM field office administering an oil and gas program will perform bond adequacy reviews on all bonds at least once every 5 years or whenever a bond review is warranted. It is the responsibility of the state office to raise the bond amount above the minimum required by the regulations when there is an unacceptable degree of risk and potential liability to the Federal Government for the plugging and reclamation costs of non-plugged wells. The authorized officer (AO) may require an increase in the amount of any bond, in accordance with 43 CFR 3104.5 (b), whenever the operator poses an unacceptable risk due to factors including, but not limited to:

- (1) A history of previous violations;
- (2) A notice from the Office of Natural Resources Revenue (ONRR) that there are uncollected royalties due; or
- (3) The total cost of plugging existing wells and reclaiming lands exceeds the present bond amount (43 CFR 3104.5(b)).

The operator compliance history becomes the largest factor for the measure of risk, including drilling without an approval (DWOA) as described in Attachment 1. To assist the field with their review of bonds, the instructions and worksheets attached to this IM and listed below are to be used during the review:

- Bond Adequacy Review Instructions (attachment 1)
- Procedures to Increase (or Decrease) Bond Amount (attachment 2)
- Bond Adequacy Review Excel Worksheet (attachment 3)
- Example of Bond Adequacy Review Excel Worksheet (attachment 4)
- AFMSS Bond Adequacy Review Instructions (attachment 5)

## **Bond Reviews:**

The BLM field offices will perform adequacy reviews on all bonds using the Bond Adequacy Review Instructions (attachment 1) and the Bond Adequacy Review Point System Worksheet (attachment 3) to determine how much to adjust the bond (if necessary). If the bond being reviewed is a statewide or nationwide bond, the field office is only required to review the wells within their field office. It is also appropriate to review bonds:

- Prior to approval of a record title assignment or a transfer of operating rights if the property being transferred contains any wells that have been idle for 7 years or longer;
- Property, as described in this IM refers to a lease, unit, or communitized area and associated liabilities;
- Prior to approval of a successor unit/communization agreement operator;
- Whenever a change in operator occurs and the property contains any wells that have been idle for 7 years or longer; or if the BLM has not reviewed the new operator's bond within the last 5 years;
- Whenever the operator submits an Application for Permit to Drill (APD), and the BLM has not reviewed the bond adequacy of the bond specified for the operation within the last 5 years;
- Whenever the operator(s) fails to timely plug and abandon a well or adequately reclaim the land;
- If the AO deems a bond review is necessary following repeated Incidents of Noncompliance by an operator; or
- If the operator has a prior history of non-payment of monies due, such a failure to pay rent on nonproducing leases, or failure to pay other monetary demands from the authorized officer.

If the Forest Service requests the BLM to increase the bond amount, the BLM will conduct a review to determine if the bond should be adjusted. However, to be consistent with the BLM Bond Adequacy Review policy, as established in this IM, the AO will ensure that the bond amount meets the minimum, but does not exceed the maximum amount set by the prescribed point system as outlined in attachment 1.

Prior to approval of an APD, the BLM will require a bond in an amount equal to the actual costs to plug and abandon the subject well and adequately reclaim the lands if the same operator has caused the BLM to make a demand for payment under a bond within the 5-year period prior to submission of the APD.

The record title owner, operating rights owner, or operator may post a lease, statewide, or nationwide bond. The unit operator may post a unit bond. If the AO determines that the bond amount is insufficient, the AO will take the necessary steps to increase the bond as provided in attachment 2. If the AO determines that it is necessary to raise one of the operator's lease bonds, it is not appropriate to automatically raise any other lease bond the operator may hold without documenting the specific bond adequacy determination. A lease bond is lease (property) specific. To increase the amount of a statewide or nationwide bond, the AO will require the operator to file a bond rider to specify the designated liability on the bond so that any other demands on the bond cannot draw on that rider.

If the operator reduces the liability covered by the bond by undertaking normal operating practices, such as plugging and abandoning a well(s) and adequately reclaiming all associated surface disturbance; upon request by the operator, the AO may consider reducing the bond

amount in accordance with the attached Bond Adequacy Review Instructions. However, the remaining bond amount cannot be less than the minimum regulatory amount.

### **Authorized Officer Discretion:**

To provide maximum flexibility across the range of scenarios likely to be encountered, the AO has the discretion to override a bond increase to the prescribed amount as outlined in attachment 1, primarily in the following situations:

- (1) If an operator conducts all operations in a prudent and timely manner and has a history of compliance, the AO may override the automatic increase in the operator's bond during the current bond adequacy review cycle – this is especially true for operators demonstrating progress as they take over aging facilities that may not have seen enough due diligence from past operators;
- (2) If an operator's average oil production per well per day over the past 12 months is greater than 5 barrels, as stated in attachment 3, but the gas production per well per day over the same period is less than 30 thousand cubic feet (MCF) per day from marginal wells; and
  - a. The AO may subtract the number of points generated, as prescribed in the Bond Adequacy Review Excel Worksheet, for the marginal gas wells.
- (3) If an operator's average gas production per well per day over the past 12 months is greater than 30 MCF, as stated in attachment 3 but the oil production per well per day over the same period is less than 5 barrels per day from marginal wells.
  - a. The AO may subtract the number of points generated, as prescribed in the Bond Adequacy Review Excel Worksheet, for the marginal oil wells.

If the AO chooses to override the points assigned by the worksheet or the prescribed amount of bond increase, the AO must document and file the reason(s) and considerations that the points were overridden and why the bond was not increased by the prescribed amount in the case file. The AO responsibility is to monitor this situation to ensure adequate bonding for any unforeseen changes in the lease-specific operations and manage the overall risk to the public lands as appropriate.

### **Bond Adequacy Calculation:**

The potential exposure of risk is measured by the degree of operation soundness. The BLM will measure this risk by three factors:

- (1) The status of wells covered by the bond (relative number of inactive wells, deep wells, and marginal production);
- (2) Operator-specific compliance history; and
- (3) Reclamation stewardship diligence.

The point totals for each of these factors trigger an increase in bond calculated as \$500 per point of risk as shown in attachment 3.

## **Automated Fluid Minerals Support System (AFMSS) Data Entry Requirements:**

It is mandatory that the field office timely and accurately enters all bonds into the Automated Fluid Minerals Support System (AFMSS) and that the field office verifies and ties all Federal wells (not State or fee wells) to the appropriate bond number. The field office must enter bond information into AFMSS as soon as the AO approves an APD. However, the field office may enter the information at the time the field office receives an APD.

The AO will verify that the field office has entered all active bonds into AFMSS and the field office made the appropriate association to all Federal wells. The field office must enter bond adequacy review data into the AFMSS bond review screen within 5 days of conducting the bond adequacy review (see attachment 5 for instructions). The field office must always document the bond review in the applicable case file. In addition, the Bond and Surety System is the BLM's official database for all oil and gas bonds. To preserve accurate recordation, the field office must update the Bond and Surety system as well. When the AO approves a Final Abandonment Notice, the field office must remove the well from the associated bond number in AFMSS and update the Bond and Surety System accordingly.

## **Semi-annual Reports:**

For oversight, transparency, and to address questions from audits, the Legislative Branch, and other stakeholders, all state offices with an oil and gas program must submit a consolidated semi-annual bond adequacy review report to the Washington Office (WO) Division of Fluid Minerals (WO-310). A report covering the first and second quarters (October – March) of each fiscal year is due by April 30 of each year. A report covering the third and fourth quarters (April – September) is due by October 31 of each year. The state office will run the AFMSS “Bonds Reviewed Report” (GLB.102) for each of their field offices and submit a statewide, consolidated report to WO-310. Please refer to attachment 5, AFMSS Bond Adequacy Review Instructions, for directions to run this report in AFMSS. This report will list the bonds that the field offices reviewed (bond number), whether the field office increased/decreased the bond (if any), the amount of the increase/decrease (if any) for each bond, and a short cover letter narrative summarizing the activity. The first semi-annual report is due April 30, 2014.

## **What Existing Policies Pertain to Bond Adequacy Processing?**

For reference, the following is a list of IMs that pertain to the Bond Adequacy process:

### **Bond Adequacy- Related IMs:**

IM 2010-161, July 2010, [Federal Oil and Gas Bonds](#)

IM 2008-122, May 2008, [Oil and Gas Bond Adequacy Reviews](#); DD: 05/30/2008; 10/31/2008

IM 2006-206, August 2006, [Oil and Gas Bond Adequacy Reviews](#)

**Timeframe:** This policy is effective upon issuance.

**Implementation Plan:** All state offices with an oil and gas program must submit a consolidated semi-annual bond adequacy review report to the Washington Office (WO) Division of Fluid Minerals (WO-310). A report covering the first and second quarters (October – March) of each fiscal year is due by April 30 of each year. A report covering the third and fourth quarters (April – September) is due by October 31 of each year. The first report is due to WO-310 by April 30, 2014.

The report should include the following:

1. Bonds reviewed by bond number;
2. Determination if bond was increased, decrease or unchanged;
3. Amount of bond adjustment; and
4. Summary remarks regarding the review.

Sample Report:

Bond Reviewed (by bond number)	Bond Increased/Decreased/Unchanged	Amount of Bond Adjustment	Summary of review
XYZ000000	Increased	\$182,500	Worksheet indicated an increase was required. Notable: 12 wells were idle for 7 years or more and the operator had 4 MUEs over the last 3 years.

**Budget Impact:** This policy will increase the time needed to perform the bond adequacy reviews, documentation, and reporting, and result in a moderate impact to oil and gas budgets with less time available for oversight and permitting.

**Background:** The Government Accountability Office (GAO) released Report 11-292, entitled, “Oil and Gas Bonds: BLM Needs a Comprehensive Strategy to Better Manage Potential Oil and Gas Well Liability,” in February 2011 (<http://www.gao.gov/new.items/d11292.pdf>). The GAO found that current BLM policy for deciding when to increase a bond is vague and creates ambiguity about whether a field office should request a bond increase and whether the AO should approve the request. The GAO recommended “revising the bond adequacy review policy to more clearly define terms and the conditions that warrant a bond increase.”

In our response to the GAO Report, the Department of the Interior, Assistant Secretary for Land and Minerals Management (ASLM), accepted all of the GAO’s findings and recommendations. Specifically, the ASLM agreed to update the BLM current bond adequacy review policy to ensure that BLM state and field offices require the appropriate bond amount, including any warranted increase.

The regulations at 43 CFR 3104.5 (b) authorize the AO to increase the amount of any bond whenever it is determined that the operator poses a risk due to factors including, but not limited to:

- A history of previous violations;
- A notice from ONRR that there are uncollected royalties due; or
- The total cost of plugging existing wells and reclaiming lands exceeds the present bond amount.

The record title owner, the operating rights owner, or the operator can request a State Director Review whenever the AO issues a decision to increase any bond (43 CFR 3165.3). The AO will attach appropriate appeals language to all bond increase decisions.

**Manual/Handbook Sections Affected:** The BLM Handbooks H-3104-1, *Bonds*, and H-3106-1, *Assignments and Other Transfers*, will incorporate this interim policy during their next revision.

**Coordination:** Representatives from WO-310, all state offices, and the Office of the Solicitor coordinated in the development of this IM.

**Contact:** If there are any questions concerning this IM, please contact me at 202-208-4201. Your staff may contact Steven Wells, Division Chief, WO-310, at 202-912-7143 or [swells@blm.gov](mailto:swells@blm.gov), or John Ajak, Petroleum Engineer, WO-310, at 202-912-7147 or [jajak@blm.gov](mailto:jajak@blm.gov). For questions related to AFMSS, you may contact Carol Larson, BLM AFMSS Technician, 406-233-3655 or [clarson@blm.gov](mailto:clarson@blm.gov).

Signed by:  
Michael Nedd  
Assistant Director  
Minerals and Realty Management

Authenticated by:  
Catherine Emmett  
Division of IRM Governance

#### 5 Attachments

- 1 - Bond Adequacy Review Instructions (3 pp)
- 2 - Procedures to Increase (or Decrease) Bond Amount (1 p)
- 3 - Bond Adequacy Review Excel Worksheet (Excel Spreadsheet) (1 p)
- 4 - Sample of Bond Adequacy Review Excel Worksheet (1 p)
- 5 - AFMSS Bond Adequacy Review Instructions (7 pp)

## **Bond Adequacy Review Instructions**

Every bond must be reviewed at least once during a 5-year cycle. However, an appropriate time to review the adequacy of any bond would include:

1. When a change of operator is proposed in writing.
2. Prior to approval of a successor unit operator or successor communization operator.
3. Prior to approval of a record title assignment or a transfer of operating rights if the property contains any wells that have been idle for 7 years or longer.
4. Whenever the operator submits an Application for Permit to Drill (APD) and the Bureau of Land Management (BLM) has not reviewed the bond adequacy within the last 5 years.
5. Whenever the operator(s) fails to timely plug and abandon a well or adequately reclaim the land.
6. If the authorized officer (AO) deems a bond review is necessary following repeated Incidents of Noncompliance (INC) by an operator.
7. If the Forest Service requests the BLM to increase the bond amount, the BLM will review and let the bond guidance determine whether an increase is warranted. However, to be consistent with the BLM Bond Adequacy Review policy as established in this IM, the AO will ensure that the bond amount meets the amount set by the prescribed point system as outlined in below.
8. Prior to approval of an APD, the BLM will require a bond in an amount equal to the actual costs to plug and abandon the subject well and adequately reclaim the lands if the same operator has caused the BLM to make a demand for payment under a bond within the 5-year period prior to submission of the APD.

**The three criteria areas for scoring BLM potential liability, well status, compliance history, and reclamation stewardship are:**

### **Status of each well covered by a specific bond**

1. For each well that has been idle for at least 7 years, but less than 20 years. 10 points
2. For each well that has been idle for 20 years or more. 25 points
3. For each well over 10,000 feet in Measured Depth (MD). 5 points
4. If the average oil production per oil well, per day, over the past 12 months is less than 5 barrels per day. 50 points
5. If the average gas production per gas well, per day, over the past 12 months is less than 30 thousand cubic feet (MCF) per day. 50 points

## Operator-specific compliance history

1. For each major INC within the last 3 years. 10 points
2. For each separate incident of drilling without approval (DWOA, in addition to number 1 directly above). 100 points
3. For each major undesirable event, as defined in NTL-3A, during the last 3 years. 10 points
4. For each minor INC within the last 3 years. 5 points
5. Number of Incidents of drill without approval . 25 points
6. For each bond default in the last 3 years, if an operator submits an APD and the BLM had to previously attach the operator's bond during the last 5 years, then raise the bond to the full amount to plug the APD well and reclaim the land. 100 points
7. For each shut-in/shut-down of operations in the last 3 years. 50 points
8. For each civil penalty issued for failure to comply with a written order or INC in the last 3 years. 25 points
9. If any production accountability inspection has resulted in a recovery (under reported volume on the Oil and Gas Operations Report (OGOR)) of more than 500 barrels of oil or 50,000 MCF of gas in the last 3 years. 50 points

## Reclamation stewardship

Onshore Order Number 1 requires the operator to submit a plan for surface reclamation or stabilization of all disturbed areas. This plan must address interim (during production) reclamation as well as final abandonment of all disturbed areas and should be accomplished as soon as practicable. If the operator does not timely comply with this portion of their approved surface use plan of operations in their APD, use the following point system below:

1. **Less than 50 percent** of the well locations do not meet interim reclamation standards. 5 points
2. **Less than 75 percent** of the well locations do not meet interim reclamation standards. 10 points
3. **75 percent or more** of the well locations do not meet interim reclamation standards. 15 points
4. **Less than 50 percent** of the well locations do not meet final reclamation standards. 5 points
5. **Less than 75 percent** of the well locations do not meet final reclamation standards. 10 points
6. **75 percent or more** of the well locations do not meet final reclamation standards. 15 points

## **Rules to Follow**

- **There will be no bond increase for less than 100 points;** it is acceptable to maintain the current bond amount, commensurate with a modest perceived risk exposure by the BLM.
- The increased bond amount cannot exceed the Full Liability Bond total.
  - This amount must not exceed the total of the estimated costs to plug and reclaim, amount of uncollected royalties due to the Office of Natural Resources Revenue (ONRR), and amount of monies owed to the BLM due to previous violations that remain outstanding.

**NOTE:** The BLM does not have the authority to increase or decrease bond amounts on Indian properties. However, during review of Indian Bonds, the BLM will use the risk factors and corresponding bond conversion table listed above and send the results of a bond review on Indian properties to the respective Bureau of Indian Affairs office with a statement summarizing the review.

## **Procedures to Increase (or Decrease) Bond Amount**

1. The Bureau of Land Management (BLM) authorized officer (AO) will perform the bond adequacy review and determine the appropriate bond amount.
2. The AO will notify their state office (SO) personnel, in writing, of proposed bond increase or decrease.
3. The SO will review the proposed bond amount increase or decrease to ensure it complies with BLM policy.
4. The SO must take the necessary steps to increase or decrease the bond amount if the request complies with BLM policy. If the bond involved is a nationwide bond held by a different SO, the SO will forward the requested to the SO holding the bond.
5. The SO will timely notify the AO of the bond increase or decrease once it is in effect. The field office (FO) will timely update each lease file and the Automated Fluid Minerals Support System (AFMSS).
6. For statewide or nationwide bonds, the SO will require the bond increase as a rider to the original bond so that the increase or decrease is tied to the specific property. The SO will send a copy of the rider to the FO.
7. Each SO with an oil and gas program will submit a semiannual bond adequacy review report to the Washington Office, Division of Fluid Minerals (WO-310). A report covering the first and second quarters (October – March) of each fiscal year is due by April 30 of each year. A report covering the third and fourth quarters (April – September) is due by October 31 of each year. The report will list the bonds that were reviewed during the period (bond number), indicate the bond was raised/decreased, and the amount each bond was raised/decreased (if any).

### Bond Adequacy Review and Increase Worksheet

Bond Adequacy Review and Increase Worksheet			
Bond Increase or Rider Amount	\$0.00	New Bond Amount	\$0.00
Bond Number		Review Date	
Bond Amount		Bond Type	
Operator			
		Number	Points
Total Wells			-----
Total Wells Plugged, but not listed as P&A			-----
Number of wells idle for at least 7 years, but less than 20 years			0
Number of wells idle for 20 years or more			0
Number of wells over 10,000 feet in depth			0
Is the average oil production per oil well per day over the last 12 months less than 5 barrels per day ? (Yes or No)			0
Is the average gas production per gas well per day over the last 12 months less than 30 MCF per day ? (Yes or No)			0
Number of Major INCs within the last 3 years			0
Number of Incidents of drilling without approval			0
Number of Major Undesireable Events durring the last 3 years			0
Number of Minor INCs in past 3 years			0
Number of Defaults on Bond in the last 3 years			0
Number of shut-in/shut-down of operations in the last 3 years.			0
Number of civil penalties issued for failure to comply with a written order or incident of noncompliance in the last 3 years.			0
Number of production accountability inspections has resulted in a recovery (under reported volume on the OGOR) of more than 500 barrels of oil or 50,000 MCF of gas in the last 3 years.			0
Number of wells that do not meet Interim Reclamation Standards			0
Number of Plugged Wells that do not meet Final Reclamation Standards			0
		Total	0

## Sample of Bond Adequacy Review Excel Worksheet

### Bond Review Example

#### Bond Adequacy Review and Increase Worksheet

<b>Bond Increase or Rider Amount</b>	<b>\$182,500.00</b>	<b>New Bond Amount</b>	<b>\$192,500.00</b>
Bond Number	XYZ000000	Review Date	11/23/2012
Bond Amount	\$10,000.00	Bond Type	Lease
Operator	XYZ Energy, Inc.		

	Number	Points
Total Wells	35	-----
Total Wells Plugged, but not listed as P&A	10	-----
Number of wells idle for at least 7 years, but less than 20 years	7	70
Number of wells idle for 20 years or more	5	125
Number of wells over 10,000 feet in depth	1	5
Is the average oil production per oil well per day over the last 12 months less than 5 barrels per day ? (Yes or No)	yes	50
Is the average gas production per gas well per day over the last 12 months less than 30 MCF per day ? (Yes or No)	no	0
Number of Major INCs within the last 3 years	1	10
Number of Incidents of drilling without approval	0	0
Number of Major Undesireable Events during the last 3 years	4	40
Number of Minor INCs in past 3 years	5	25
Number of Defaults on Bond in the last 3 years	0	0
Number of shut-in/shut-down of operations in the last 3 years.	1	50
Number of civil penalties issued for failure to comply with a written order or incident of noncompliance in the last 3 years.	0	0
Number of production accountability inspections has resulted in a recovery (under reported volume on the OGOR) of more than 500 barrels of oil or 50,000 MCF of gas in the last 3 years.	0	0
Number of wells that do not meet Interim Reclamation Standards	8	0
Number of Plugged Wells that do not meet Final Reclamation Standards	5	10
<b>Total</b>		<b>385</b>

# AFMSS Bond Adequacy Review Instructions

## Bond Adequacy Review (GLB.68) AFMSS Version 3.7.18 (July 2012)

The Automated Fluid Minerals Support System (AFMSS) Version 3.2, released on April 28, 2003, contained new screens for the tracking of Bond Reviews and includes the ability to maintain a history for changes that occur on a particular bond.

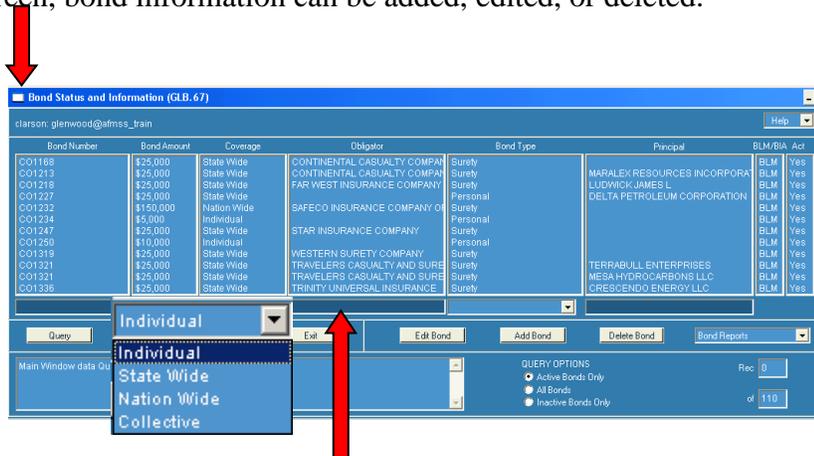
This document outlines the screens and steps that should be followed to enter data related to Bond Reviews and changes to bonds:

From the AFMSS Main Menu, click on **Adjudication**, and then click on Bonds.



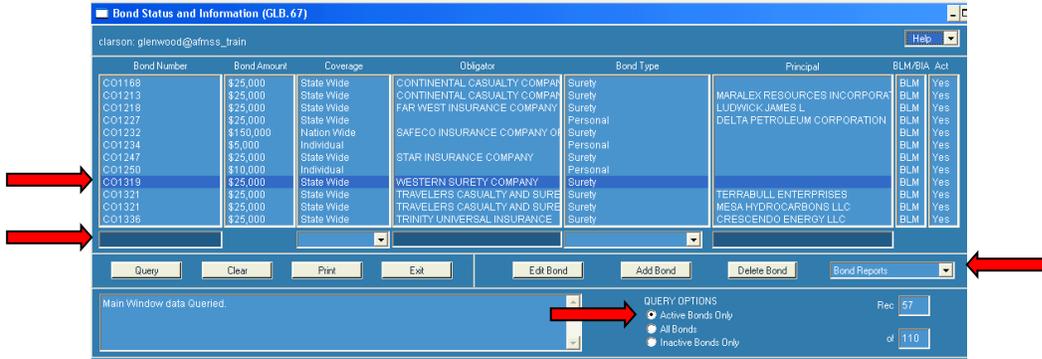
The **Bond Status and Information (GLB.67)** screen is launched.

From this screen, bond information can be added, edited, or deleted.



To find an existing bond, enter data into one or more of the **Query By Example (QBE)** fields (darker shaded fields), and click 'Query.'

The small down arrows (Twisty) under the columns for Coverage and Bond Type can also be used to query for data. Click on the Twisty/down arrow button to bring a list of valid entries for those columns. Choose the entry by clicking on the desired selection.

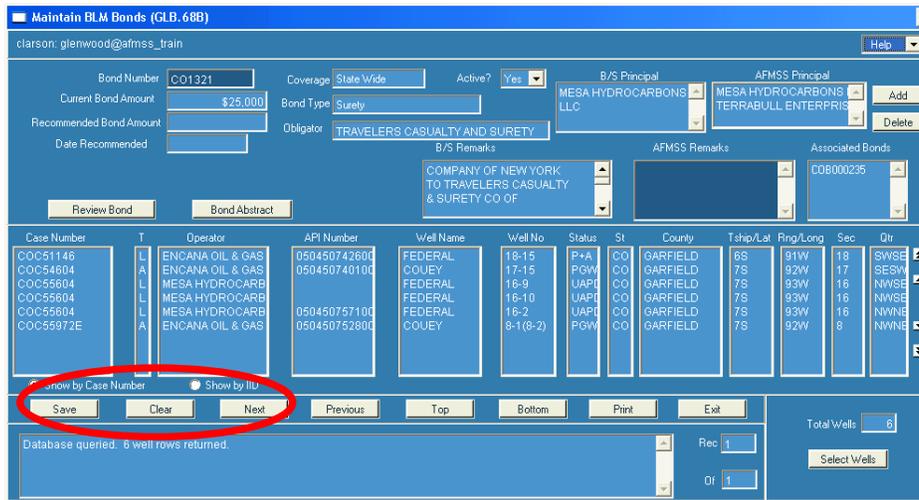


To retrieve all bonds in the database, leave the QBE fields blank and click ‘Query.’ Depending on the number of bonds that have been entered, this could take a long time. The default radio button is for Active Bonds Only. However, you may toggle to All Bonds or Inactive Bonds Only before clicking on Query.

Two different types of bond reports are also available from this screen – the standard ‘Bond Report’ and ‘**Bonds Reviewed Report.**’ This option is available with a Twisty button along the same line of the QBE fields; they will be discussed later in this attachment.

Highlight the bond to be reviewed or updated, click on ‘Edit Bond.’

Maintain Bonds (GLB.68) is launched.



This screen contains information about the bond along with the well (completions) attached to the bond.

It also includes the ability to track the current bond amount, increases or decreases to that amount, and bond adequacy reviews performed.

An interface with the Bond and Surety System allows you to view the Bond Abstract from this screen by clicking on the **Bond Abstract** button.

There is a selection for **Review Bond** which also displays the history of bond changes.

Additional fields: Current Bond Amount (which is from Bond and Surety and is the actual bond amount; Recommended Bond Amount; and Date Recommended (which is the date a bond increase/decrease is recommended to the State Office).

The screenshot shows a software interface with the following fields and controls:

- Bond Number:** CO1321
- Coverage:** State Wide
- Active?:** Yes
- B/S Principal:** MESA HYDROCARBONS LLC
- AFMSS Principal:** MESA HYDROCARBONS TERRABULL ENTERPRIS
- Current Bond Amount:** \$25,000
- Bond Type:** Surety
- Obligator:** TRAVELERS CASUALTY AND SURETY
- B/S Remarks:** COMPANY OF NEW YORK TO TRAVELERS CASUALTY & SURETY CO OF
- AFMSS Remarks:** (Empty)
- Associated Bonds:** COB000235
- Buttons:** Review Bond, Bond Abstract, Add, Delete

The Bond Review History Screen consists of four parts. The top portion displays the **Bond Number** and **Current Bond Amount**. (The Current Bond Amount will come from the Bond and Surety System and will not change until that system is updated.)

The next section is to enter the **Bond Adequacy Review Date**; Acceptable (Yes/No); and the name of the person who performed the review.

The screenshot shows the 'BLM Bond Review History (GLB.1098)' window with the following sections:

- Header:** Bond Number: CO1321, Current Bond Amount: 25000
- Bond Adequacy Review:** Bond Adequacy Review Date: (Empty), Acceptable?: (Empty), Bond Reviewed By: (Empty). A red arrow points to this section.
- Change Bond Amount:** Recommended New Bond Amount: (Empty), Reason for Bond Increase: (Empty), Date Recommended: (Empty)
- Buttons:** Save, Print, Exit
- Table:**

Bond Adequacy Review Date	Reviewed By	Acc?	Recommended Amount	Recommended Date	Reason for Increase	Reviewed By
- Footer:** Bond Data and History retrieved -- View Only, History Record Count: 0

If a change to the **Bond Amount** is required, the fields **Change Bond Amount** section are filled with data. The **Recommended New Bond Amount** field is to capture the amount that will be recommended to the State Office. Enter the dollar amount in whole dollars, the new bond amount (i.e., 50000 – press the TAB key. The amount will change to \$50,000).

The **Date Recommended** must be entered to record the date the bond amount change was given to the State Office. Finally, select the **Reason for Bond Increase** from the drop down list. If the bond is decreased, a reason is not mandatory. When all data has been entered, click on the Save button.

The **Bond History** will be displayed in the fourth section of the screen.

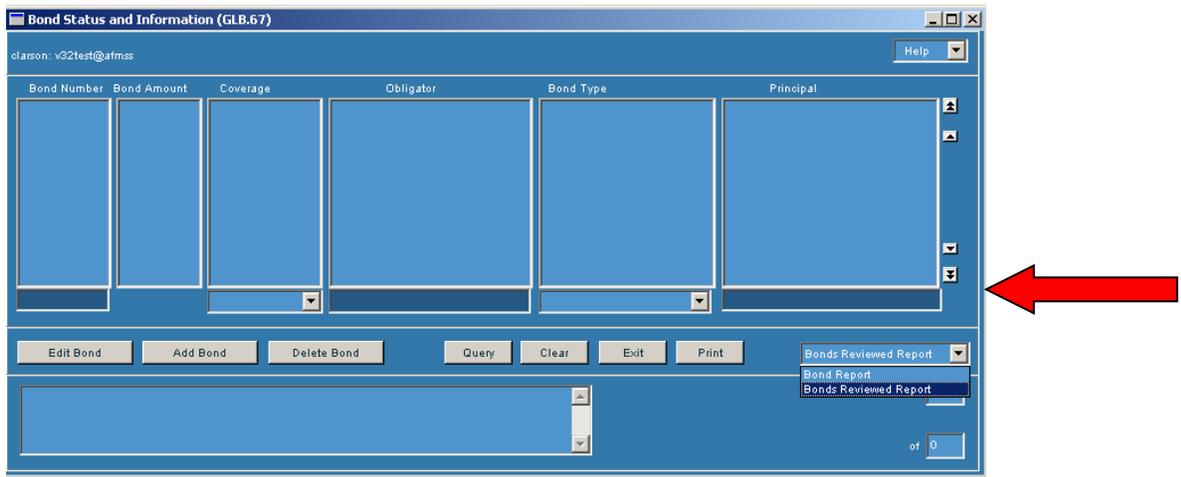
You can see a row has been added for the **Bond Review**. Click 'Exit' to return to the **Maintain Bonds screen**. This returns you to the Maintain Bonds (GLB.68) screen.

The '**Current Bond Amount**' is not updated until it is done so in the Bond and Surety System.

The "**Recommended Bond Amount**" and "**Date Recommended**" fields are displaying the data from the Bond Review screen.

Two bond reports are available; the Bond Report (GLB.101) and Bonds Reviewed Report (GLB.102).

The reports can be accessed two ways. From the Main Menu, click on 'Adjudication,' and then click on 'Bonds.' In the Bond Status and Information (GLB.67) screen, click on the small down arrow next to Reports (in the lower right corner of the screen).



Another way to find these reports is from the Main Menu, click on **Reports**, and then click on 'Bond Reports.'



The **Bond Report (GLB.101)** will provide all information for each bond. If you want information for every bond, leave the criteria fields blank. However if you want to limit the results of the report there are several options available.

To look for a particular bond, enter the bond number into the "Bond Like" field. To find a range of numbers, or if you are not sure of the exact bond number, a wildcard character can be used. For example, to find all bonds beginning with **CO**, type **CO%** into the Bond Like field. The wildcard or multiple wildcards may be used in a field. (**CO%99%** will find all bond beginning with **CO** and containing **99** at any position within the number.)



Wildcards may also be used in the **Cases Like**, **Operators Like**, and **Principals Like** fields. Sort options are also available.

The default is to sort the report by Bond Number. The report can be sorted by **Case** or by **Operator**.

The Grey Bar Overlay prints a light grey section every third row to make the report easier to read.

Click **Print**.

To view the **Report Write Up** which describes the parameters that were used to develop this report, click on the “Rpt Write Up” button.

### GLB.101: Bond Report by Bond

CASE NUMBER	API	WELL NAME	WELLNUM	OPERATOR	STAT	FIELD	TWP	RGE	SEC	QTR
Bond: C00039		B&S Amount: \$150,000 Rec. Amount:	Rev Date: 04/10/2003 Rec. Date:	Coverage: Nation Wide Type: Surety Bond Level Acceptable?: Y	Obligator: ST PAUL FIRE AND MARINE Principal(s): KOCH EXPLORATION CO LLC					
2277707X	050459067800X1	MY WELL	#1	MY OIL AND GAS COMPANY	P+A	RULISON	6S	94W	18	SESE
8015394039X	050459086200S1	HAMMOND	1-1	SUNWALKER	P+A	ASBURY CREEK	4S	10E	7	NESW
C0C7466600X	050459027800S1	WIKI	1	WIKI OIL BENSON	P+A	RULISON	6S	94W	18	SESE
Bond: C00265		B&S Amount: \$25,000 Rec. Amount:	Rev Date: Rec. Date:	Coverage: State Wide Type: Surety Bond Level Acceptable?:	Obligator: WESTERN SURETY COMPANY Principal(s): GORDON ENGINEERING INC					
C0C2277718X	050459040700S1	CAROL WELL	23	LARMAN OIL COMPANY	P+A	GASAWAY	5N	57E	12	NWNNW
C0C3284238X	050459025700S1	RUDI	15	JOHNSON COMPANY	POW	CACTUS VALLEY	60S	94W	17	SESE
Bond: C00456		B&S Amount: \$10,000 Rec. Amount:	Rev Date: Rec. Date:	Coverage: Individual Type: Surety Bond Level Acceptable?:	Obligator: TRAVELERS INDEMNITY COMPANY Principal(s): BACON LEROY ESTATE STELBAR OIL CORP INC GUTRU ROBERT J TRUST					
C0C6363600X	050459035800S1	DAWD	64	PUNKIN	PGW	BEAR GULCH	5N	57E	12	NWNNW

The **Bond Reviewed (GLB.102)** report retrieves the bond information for reviews that were conducted during a particular time period.

Enter the starting date for the report. The date can be entered as month – (space) day – year, i.e., 4 1 03. Press the **TAB key** and the date is filled in as 04/01/2003.

Enter the ending date for the report in the same date format.

Sort options are available. The default will sort by Bond Number. Select another option by clicking in the small circle next to the option.

There is also an option to print any remarks associated with the bond. To print the remarks, click in the box next to ‘Print Remarks?’

The Grey Bar Overlay is also available.

**Bonds Reviewed Report (GLB.102)**

clarson: glenwood@afmss\_train Help

Start Date: 01/01/2010  
 End Date: 05/01/2010

Sort By:

- Bond Number
- Last Review Date
- Bond Level Accept
- Bond Amount
- Coverage
- Type

Print remarks?  
 Grey Bar Overlay?

Exit **Print** Rpt Write Up

Click on **Print**.

**GLB.102: Bonds Reviewed for COLORADO RIVER VALLEY F.O., from 01/01/2003 to 05/01/2010**

Sort by: Bond Number

BOND NUMBER	LAST REVIEW DATE	BOND LEVEL ACCEPT	B&S BOND AMOUNT	REC BOND AMOUNT	DATE REC	COVERAGE DESCR	TYPE DESCR	OBLIGOR NAME	PRINCIPALS
ES0183	04/10/2003 Remarks:	Y	\$150,000			Nation Wide	Surety	RLI INDEMNITY CO	TOM BROWN INCORPORATED
MT0735	04/10/2003 Remarks:	Y	\$150,000			Nation Wide	Surety	TRAVELERS CASUALTY AND SURETY	HEC PETROLEUM INCORPORATED
NM2545	04/10/2003 Remarks:	Y	\$150,000			Nation Wide	Surety	UNITED STATES FIRE INSURANCE	WILLIAMS PRODUCTION RMT CO

Bond Level Accept (YES): 28  
 Bond Level Accept (NO): 1  
 Bonds Unreviewed: 0

---

Total 29