

MD-10-R-AO

Application to Amend Permit to Drill

Optional Application to Amend Operator

This blue form allows multiple wells in a field to change operators.

MD-10-R-A-1

Allows only one well to be transferred to another operator per form.

The Amended Permits go to the District Office before coming to Baton Rouge to be processed.

Once received in Baton Rouge, the operators and wells are reviewed for:

Compliance

Financial Security

Well Information and Application Review

Fee

Anything that is delaying the operator change should be relayed to both operators via email.

See Word document checklist for quick summary. The following slides include details to review and enter data.

LOUISIANA DNR - OFFICE OF CONSERVATION FORM MD-10-R-AO
APPLICATION TO AMEND PERMIT TO DRILL MINERAL OR INJECTION WELLS
OPTIONAL APPLICATION TO AMEND OPERATOR
TYPE ONLY - FILE IN DUPLICATE

NEW OPERATOR			
EFFECTIVE DATE OF CHANGE:	October 1, 2012	CODE NO.	9066 ✓
FIELD:	UNIVERSITY /	CODE NO.	D212
NEW OPERATOR NAME:	DELCO OHEB OPERATING LLC	CODE NO.	
ADDRESS:	1800 CENTURY PARK EAST, SUITE 410 CENTURY CITY, CALIFORNIA 90067		
SIGNATURE OF REPRESENTATIVE:	<i>Sassan Ohebsion</i>	DATE:	November 20, 2012
TYPED NAME:	SASSAN OHEBSION, MANAGING MEMBER	PHONE NO.:	(310) 525-3535
FORMER OPERATOR			
FORMER OPER. NAME:	ROCKLEIGH K. THURMAN	CODE NO.	T190 ✓
SIGNATURE OF REPRESENTATIVE:	<i>Aziz Delrahim</i>	DATE:	November 20, 2012
TYPED NAME:	AZIZ DELRAHIM, AGENT	PHONE NO.:	(310) 877-8217
SUMMARY OF WELLS INCLUDED IN APPLICATION			
OIL/GAS	2	+SWD	1
+OTHER	0	=	TOTAL WELLS 3 ✓
STRIPPER CRUDE	0	+INCAPABLE WELLS	0
+STATUS 22	0	=	TOTAL EXEMPT 0 ✓
CHECK NO.:	1499	CHECK AMOUNT:	\$378.00
WELL NAME/NUMBER CHANGE REQUESTED	* NO YES (IDENTIFY WITH *)		
WELL LISTING			
SERIAL NO.	WELL NAME	WELL NO.	PRODUCT
1	196033 ✓	✓ 001	✓ OIL
2	201795 ✓	✓ 002	✓ OIL
3	971619 ✓	✓ 001	✓ OIL
4			
5			
6			
7			
8			
9			
10			
11			
12			
RECEIVED NOV 8 0 2012 OFFICE OF CONSERVATION PERMIT SECTION			
RECEIVED NOV 26 2012 OFFICE OF CONSERVATION LAFAYETTE DISTRICT			
NUMBER OF SUPPLEMENTAL PAGES ATTACHED:		0	
DISTRICT APPROVAL:	<i>Richard D. [Signature]</i>	DATE:	11/23/12
ISSUED BY:	<i>[Signature]</i>	DATE:	12/4/12

Operator Change Compliance – OR-1 Review

Conservation (E and G) > inspections and enforcement > Compliance > RETRIEVE OPERATOR COMPLIANCE DETAILS

COMP0001 - Retrieve Operator Compliance Detail 01/06/2023 11:41 AM

Strategic Online Natural Resources Information System

Operator

1
Org Id: P9646 Org Name: PALOMA NATURAL GAS, LLC

Earliest Well Info
Well Serial: 248775 Effective Date: 03/01/2022

2

WELL HISTORY OR-1 PERMIT INFO OPERATOR-FIELD WELL COUNT

Operator Warnings (PENDING Warnings only)

Effective Date

Retrieval Group

☒ Pending and Resolved
☐ Pending Only

Order No: 22-1614 Division: E-I&E Issued Date: 09/29/2022 Action Code: 29B-NI

SRCN3010 - Organizations 01/06/2023 11:47 AM

Strategic Online Natural Resources Information System

Organizations

Organization ID: P9646 Organization Name: PALOMA NATURAL GAS, LLC Organization Type: 09 LLC

Incorporated State: DE Charter Org Id: 44824761Q Former Organization ID: SOS Name: PALO

Organization Operations

Operation Name: PALOMA NATURAL GAS, LLC Operation Type: 01 PRODUCER/OPERATOR

Filing Year: 2023 Form Type: A ENGINEERING DIVISION

Comments

Codes and Dates Gas Plants/Refineries Transporters/Storers Transfer Information

Purpose of Filing: 02 ANNUAL RE-FILING 3 Or1 Indicator: 4

Submitted Date: 12/12/2022 Approval Date: 12/15/2022 Effective Date: 01/01/2023 End Date: Initia

Or1 Fee

1. Query by operator code for each operator
2. Select OR-1 PERMIT INFO
3. Effective date must be in current year.
 - Exception is if prior operator is transferring all wells with effective date preceding current year.
4. If the old operator has OR1 Indicator status "X" and the wells have been orphaned, the permit must go to OSR (currently Roby Fulkerson) for approval. Effective date of operator change MUST be after orphan date and orphan affidavit required.
5. If new operator has OR1 indicator status "W," OSR must approve prior to transferring.

Operator Change Compliance – Warnings and Compliance Orders

Conservation (E and G) > inspections and enforcement > Compliance > RETRIEVE OPERATOR COMPLIANCE DETAILS

COMP0001 - Retrieve Operator Compliance Detail 01/06/2023 11:41 AM
Strategic Online Natural Resources Information System

Operator

Org Id: P9646 Org Name: PALOMA NATURAL GAS, LLC

Earliest Well Info
Well Serial: 248775 Effective Date: 03/01/2022

WELL HISTORY OR-1 PERMIT INFO OPERATOR-FIELD WELL COUNT

Operator Warnings (PENDING Warnings only)

Effective Date	End Date	Warning Status	Warning Description
	5		

Retrieval Group

☒ Pending and Resolved
☐ Pending Only

Compliance Orders

Order No	Division	Issued Date	Action Code	Status	Compliance Date	Inspector	Inspector	
22-1614	E-I&E	09/29/2022	29B-NI	P	PENDING	01/08/2023	2160	CLAUDE RAY

5. Warnings/Red Flags - If there are any warnings with end date null, do not process until matter resolved. If violation is not clear, select OR-1 PERMIT INFO, then Warnings for description of red flag.

6. Compliance Orders - If there are outstanding compliance orders for either the old or new operator, or if wells in operator change have existing compliance orders, email Inspection and Enforcement (currently Casandra Parker) for permission to process or to hold pending compliance

7. Verify no outstanding inactive assessment invoices via query:

<https://sfrprodc.dnr.state.la.us/ords/f?p=108:12055>

If on a payment plan as noted in the Invoice reference field, contact Commingling employee to verify compliant with payment plan. Otherwise, must remit payment prior to processing.

Well Information Review

Units

*To make sure the “new” operator is taking all the wells in a unit, look at the wells listed for the “old” operator; they cannot break up a unit. If any of the unit wells shown under the “old” operator are not being transferred, contact the District Office to see if they are holding them for some reason.

*Only in very rare circumstances will there be two operators with the same unit name per field. Usually no LUW code changes for units will need to occur when you do an operator change. If it does, it will have a pink card signed off by Permits Section engineers

Leases

They can split up a lease. For the “new” operator, check to see if they have any wells with the same name as the ones being transferred; if so, then from the Permits (*Amend Permit to Drill*) screen, the code will have to be changed to the existing code that the new operator has with the same name.

*If the lease is split and the “old” operator keeps any of the wells in the lease then a new LUW code will be assigned to the “new” operator at the time of the operator change.

*This is only allowed if approved by Permits Engineer

Leases Continued...

*If they have a lease with the same well number as the old company, you need to find out whether it is truly a different lease or if it just has a duplicate number

*Ask the District to look into it, make them do all the work***.

*Or, you can contact the operator.

***If we contact the operator, we will need something from the operator in writing (to change the lease name or well number.

--If it is determined to be a different lease, then you would add the A (or whatever) and assign a new LUW code.

--If it is determined to be the same lease, then it would go under the new operator’s LUW for that lease, with a well number change.

*Review any orphan wells within the area to determine if they should be acquired. Visit www.sonris.com > GIS Access and identify any wells nearby that appear to be on the same lease. When in doubt, review with Permits Engineer.

Operator Change Financial Security – Evaluating Type Required

Wells will fall into one of the following categories for financial security:

- SSTA – managed by OSR
- Section 104 financial security – managed by Permits – not as costly as SSTA
- No financial secure required for orphan wells unless formerly associated with SSTA

If SSTA or Section 104 financial security required, must be in place with new operator before processing the amendment.

SSTA required if wells are covered by SSTA or if OSR advises that SSTA required for amendment. To determine if covered by SSTA, use one of the following:

- Public OJC query www.sonris.com > SONRIS Data Portal > Well Information > Well Information Details by Operator (OJC). Query current operator; filter results to subject wells. Last column reflects type of financial security
 - Note- those listed as “Review Required” need their financial security location record updated
- Internal financial security form, Conservation (E and G) > well administration > Retrieve Financial Security by Well, Oper, Surety. Query by serial number. If results yield by serial number with Division = OSR, SSTA required

Financial Security Type	
Filter...	
Review required	
SSTA	
Section 104 INLAND WATER	
Section 104 LAND	
Section 104 OFFSHORE	

SRCN9520 - Retrieve Financial Security by Well, Oper, Surety 01/06/2023 01:04 PM										
Strategic Online Natural Resources Information System Financial Securities by Well										
Well Serial Num	Well End Date	Well Status	F.S. Num	FS Id	Division	Org Id	Operator	Oper End Date	Tot Wells Amount	
29879		33	SSTA 02-03	374	OSR	T029	TEXAS PETROLEUM INVESTMENT C		20	\$2,327,880.00
29879		33	1152002	18095	E	T029	TEXAS PETROLEUM INVESTMENT C		3239	\$5,000,000.00

Conservation (E and G) > well administration > Retreive Financial Security by Well,Oper,Surety

[illegible]

SRCN9500 - Maintain Well Financial Security 01/06/2023 02:21 PM

Strategic Online Natural Resources Information System

Num SU1164668 Received 11/22/2021 Division ☒ ENG ☐ IMD ☐ OSR ☐ ENV

Accepted By JASON FOGARTY ...

Accepted 12/01/2021 Approval 12/01/2021 Effective 11/17/2021 Maturity Released

Type ☒ BOND ☐ CD ☐ LOC ☐ Cash ☐ PC ☐ Other

Status APPROVED Location BXL Land, blanket exhibit Maximum Wells Allowed 99

Well Depth Amount \$500,000.00 IMD Cost

Comments

- If an operator does not have “BX” location type financial security, or the well does not meet the criteria (ie, a water well and operator only has BXL), do not process amendment until well listed by serial number in the new operator’s name.

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Operator Change Fee and Prepping for Data Entry

Well serial numbers in operator changes are currently \$0, \$50, or \$126 each. Verify the correct type is on the form.

- \$0 – Status 22, orphan wells (Status 23, 26)
- \$50 – stripper oil (condition code 14), incapable gas (condition code 12)
- \$126 – all other types

The condition codes are available in the OJC queries under the RPT Ind column.

Field ID	Field Name	Well Serial Num	LUW code	Parish Code	Well Name	Well Num	Section	Township	Range	Meridian	RPT Ind	API count	Well Status Code	Classification
0141	ATCHAFALAYA BAY	240138	306547	51	VUA;SL 20035	001	000	000	000	W	12	1 33	-	-
0141	ATCHAFALAYA BAY	241743	307016	51	VUB;SL 20221	001	000	000	000	W	-	1 10	-	-
0141	ATCHAFALAYA BAY	242532	306547	51	VUA;SL 20035	002	000	000	000	W	-	1 33	-	-
0141	ATCHAFALAYA BAY	242873	307016	51	VUB;SL 20369	001	000	000	000	W	-	1 33	-	-
0141	ATCHAFALAYA BAY	244514	307016	51	VUB;SL 20221	002	000	19S	10E	W	-	1 33	-	-
0141	ATCHAFALAYA BAY	245544	307016	51	VUB;SL 20369	002	000	19S	10E	W	-	1 10	-	-

There is a query in DODA on the “Login as Guest” menu titled Operator Change – Fee Determination that includes the fee amount. Use either option- data source is the same. Both can be exported to Excel. Verify associated invoice accounts for all serial numbers and that the invoice has been paid. If there is a discrepancy with the fee, contact the District.

- Invoice # will be listed on LT1 and data in SONRIS is located via Accounting Services > Accounting Screens > Invoices and Payments. Query by invoice #. Occasionally there are typos on the LT1- query by operator code in the customer name and date range to find the appropriate invoice. If not evident, contact the District to confirm the invoice #.

SONRIS allows for processing of multiple serial numbers at a time when wells are in same sequence on OJC, same fee type, and the only change is the operator. Serial numbers that require updates in addition to the operator must be processed separately. Updates in addition to the operator include:

- Status 20 wells must be updated to Status 33
- Status 23 wells must be updated to Status 33 (if there is a LUW code) or Status 31 (if there is not a LUW code) – typically updated to status prior to orphaning
- Status 22 wells require comment “Status 22”
- Any other amendment action, such as LUW update, name change, etc.