## **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.

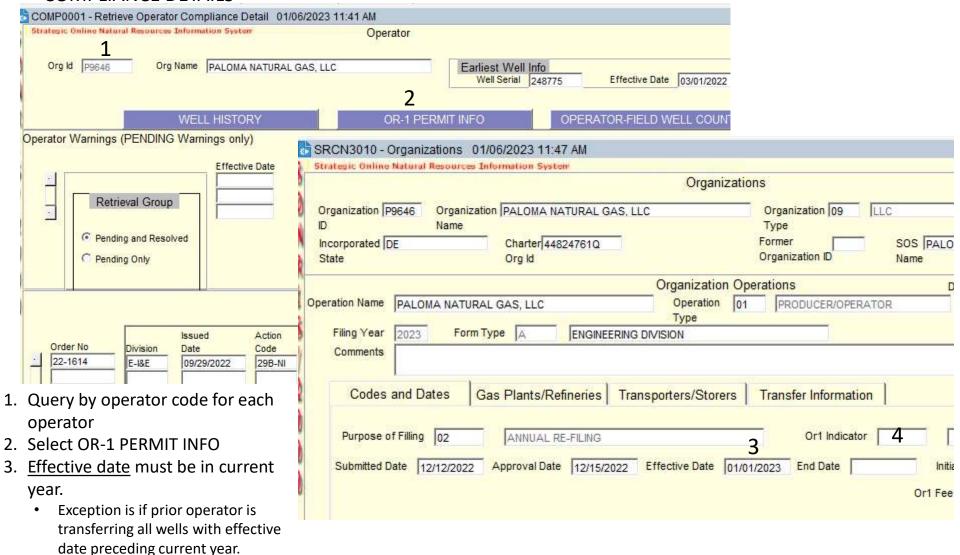
See Word document checklist for quick summary. The following slides include details to review and enter data.

# 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 C	CHANGE: October 1, 2012		
FIELD: UNIVERSITY	/	CODE NO.	9066 /
NEW OPERATOR NAM	CODE NO.	D212	
	TURY PARK EAST, SUITE 410		_
	CITY, CALIFORNIA 90067		_
SIGNATURE OF PEPRESENT			
Darran	Chebsia	DATE: Nove	mber 20, 2012
			040) 505 0505
TYPED NAME: SAS	SAN OHEBSION, MANAGING MEMBER	_ PHONE NO.: L	310) 525-3535
FORMER OPERATO	OR .		
FORMER OPER, NAME:	ROCKLEIGH K. THURMAN	CODE NO.	T190 /
SIGNATURE OF REPRESENT			
(101	DATE: Nove	mber 20, 2012	
-009)		_	100
TYPED NAME: AZIZ	ELRAHIM, AGENT	PHONE NO.:	310) 877-8217
	/		
SUMMARY OF WEL	LIS INCLUDED IN APPLICATION		
OIL/GAS 2	+SWD 1 +OTHER O =	TOTAL WELLS	3 /
			• /
STRIPPER CRUDE	+INCAPABLE WELLSO +STATUS 22O =	TOTAL EXEMPT	
CHECK NO.: 14	99 CHECK AMOUNT: \$37	8.00	
	CHANGE REQUESTED # NO		NTIFY WITH *)
WELL LISTING			
SERIAL NO.	WELL NAME	WELL NO.	PRODUCT
1 196033 ✓	DUPLANTIER ESTATE V	v 001	✓ OIL
2 201795 -	MIO RA VUA; DUPLANTIER ESTATE	- 002	- OIL
3 971619 /	DUPLANTIER ESTATE SWD	r 001	/ 09
4 "	DOF EARTIER ESTATE SWD	- 001	107
5			
6	RECEIVED		
7	RECEIVED		
8			
9	NOV 8 0 ZUIZ		- ENZEE
10		- <del>     </del>	CEIVE
	OFFICE OF CONSERVATION		N 0 0 0010
11	PERMIT SECTION	NO	V 26 2012
12	<u> </u>	) DEFIGE	OF CONSERVAT
	MENTAL PAGES ATTACHED: - 0		YETTE DISTRICT
DISTRICT APPROVAL:	Riland State 100 10	DATE: 161	18/12
DISTRICT APPROVAL: ISSUED BY:	Whell -	DATE:	12/4/12
1000ED D1.			10/4/16

# Operator Change Compliance – OR-1 Review

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



4. If the <u>old operator has OR1 Indicator status "X"</u> 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

Strategic Online Natural Resources	Information System	Operator
Org ld P9646 Org	Name PALOMA NATURAL GAS, LLC	C Earliest Well Info Well Serial 248775 Effective Date 03/01/20
	WELL HISTORY	OR-1 PERMIT INFO OPERATOR-FIELD WELL COU
Retrieval Group  Pending and Resol	Effective Date End Dat	
Penuing Only		Compliance Orders

- 5. <u>Warnings/Red Flags</u> 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. <u>Compliance Orders</u> 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 <u>no outstanding inactive assessment invoices</u> via query: <u>https://srfrprodc.dnr.state.la.us/ords/f?p=108:12055</u>

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 <a href="www.sonris.com">www.sonris.com</a> > 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

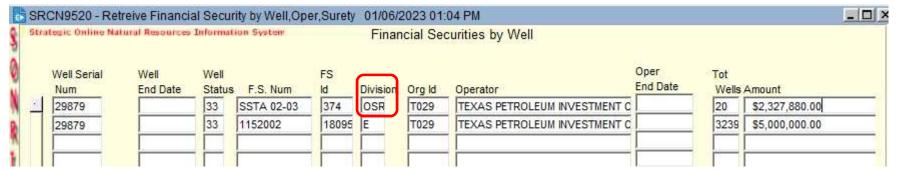
Wells will fall into one of the following categories for financial security:

- 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 <u>www.sonris.com</u> > 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
   Retreive Financial Security by Well, Oper, Surety. Query by serial number. If results yield by serial number with Division = OSR, SSTA required



Type

Q Filter

SSTA

Review required

Section 104 LAND

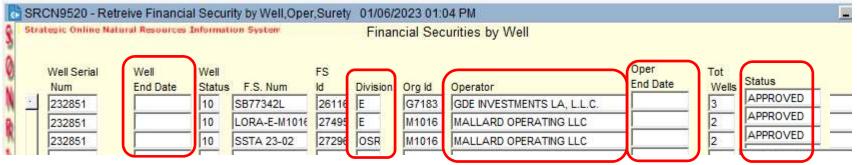
Section 104 OFFSHORE

Section 104 INLAND WATER

# Operator Change Financial Security – Verifying Provided by New Operator

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

If SSTA required, well must be listed by serial number with division = OSR, in the name of the new operator, no end dates, and active status.

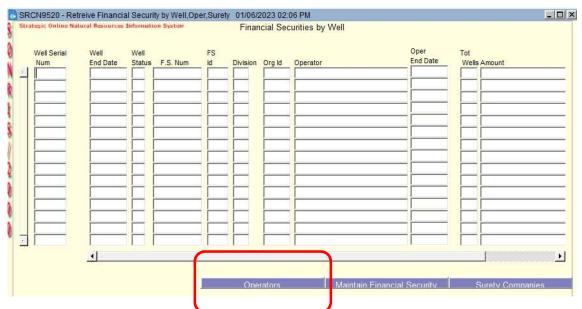


If Section 104 financial security required, confirm one of the following:

• Well listed by serial number with division = E, in the name of the new operator, no end dates, and active status (similar as seen above) OR

Operator has blanket financial security for the well location type. Toggle to Operators at the bottom of

the form...

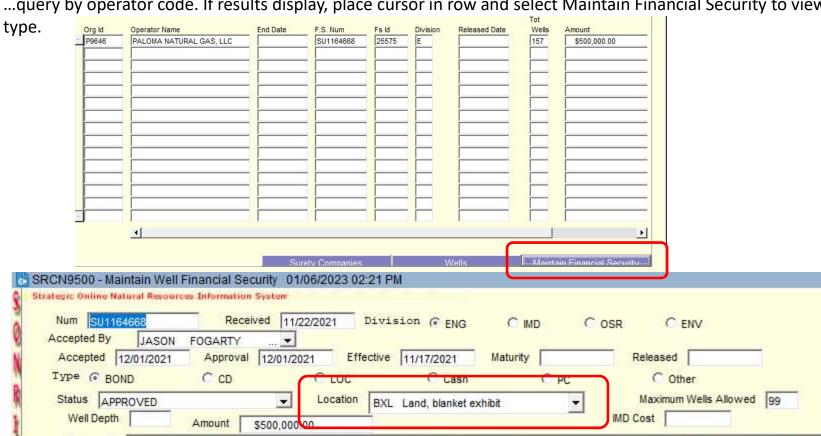


75

# Operator Change Financial Security – Verifying Provided by New Operator, cont'd

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

...query by operator code. If results display, place cursor in row and select Maintain Financial Security to view



- The blanket financial security types start with "BX"
  - BXL covers land wells
  - BXWI covers land and inland water wells
  - BXWO covers land, inland water, and offshore wells

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.

If financial security or SSTA not in place, notify both operators via email.

# 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	- 1
0141	ATCHAFALAYA BAY	241743	307016	51	VUB;SL 20221	001	000	000	000	W	2	1	10	-2
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	195	10E	W	5	1	33	-
0141	ATCHAFALAYA BAY	245544	307016	51	VUB;SL 20369	002	000	195	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 by 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.