



Alaska Department of Natural Resources Division of Oil & Gas



UNITS SECTION

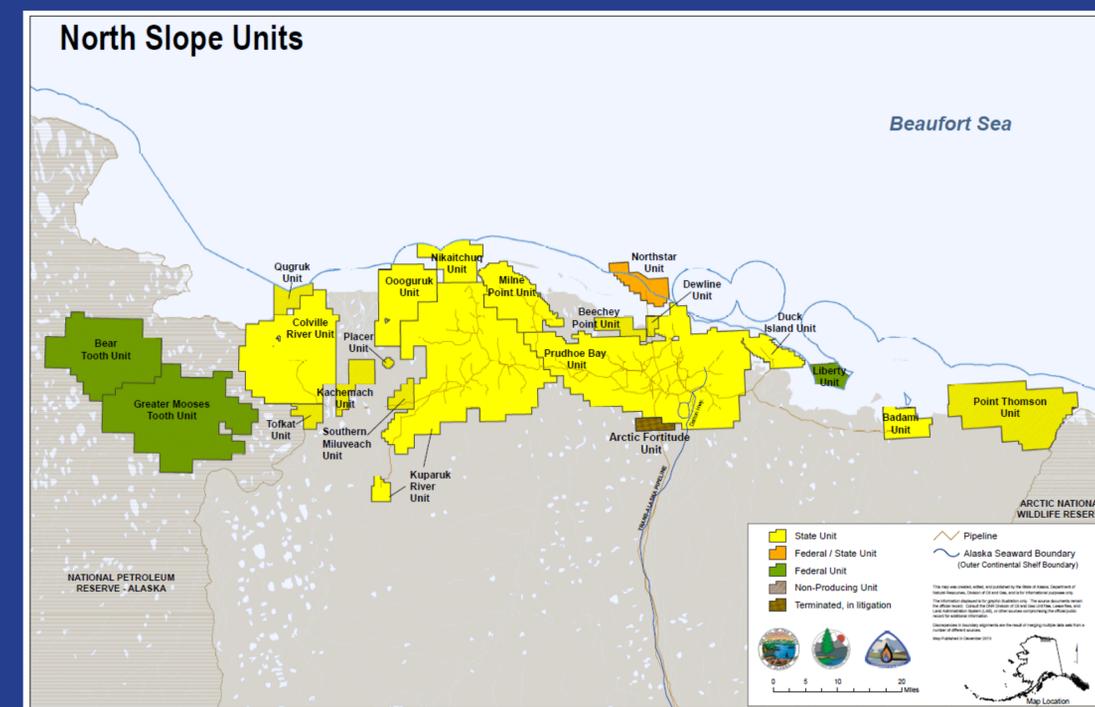
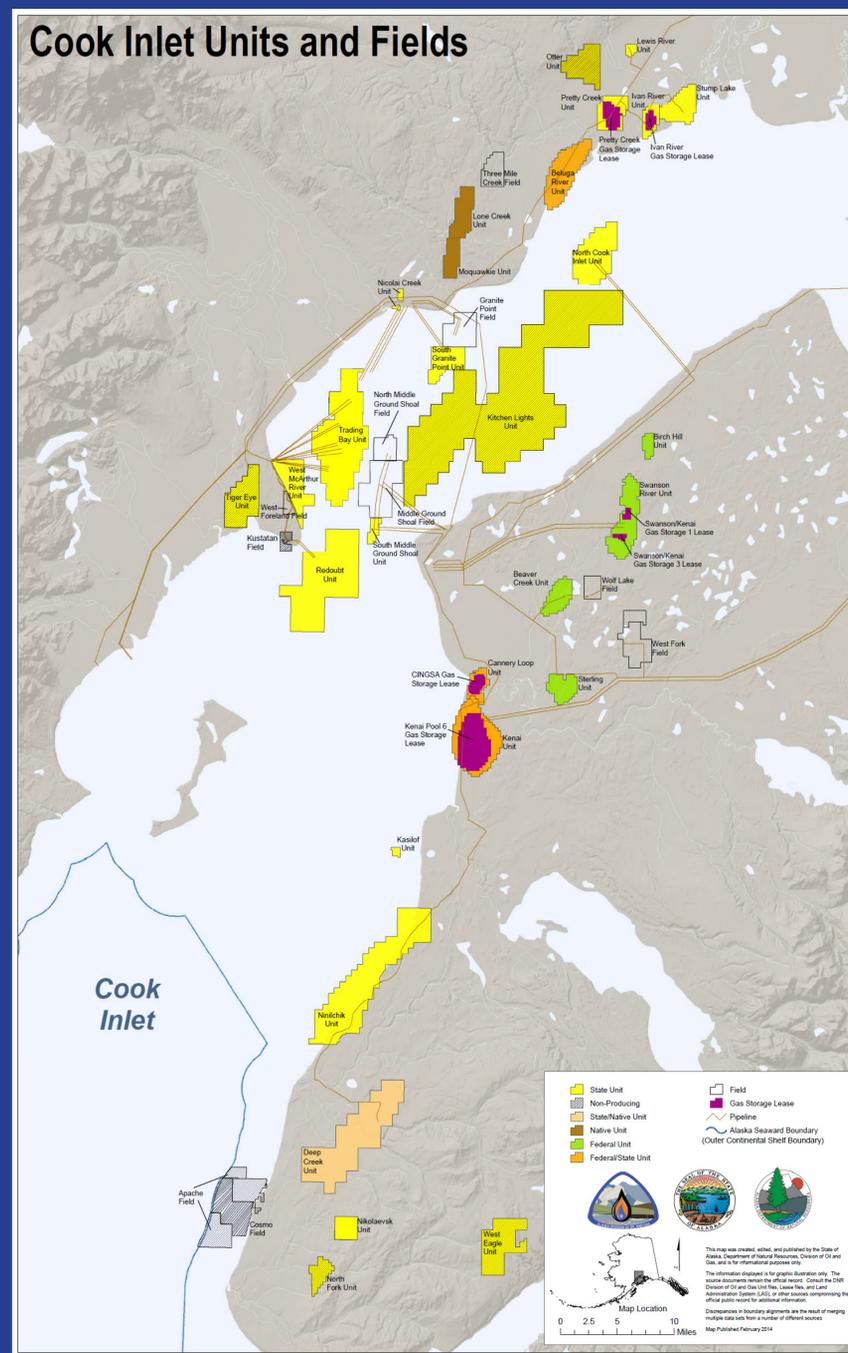
Promoting Conservation, Preventing Waste, and Protecting All Parties

OVERVIEW

The Units section evaluates unit applications and negotiates the terms of the agreement to promote conservation of all natural resources, prevent economic and physical waste, and protect all parties of interest. The Units section considers environmental costs and benefits, geological, geophysical and engineering characteristics of the reservoir, prior exploration activities, and economic costs and benefits to the state.

VALUE OF UNITIZATION TO STATE

- Unites diverse working interest ownership under a single plan of development to efficiently develop state resources.
- Minimizes environmental impact by promoting unitized development instead of conducting lease by lease operations.
- Provides for protection of all parties in the approval of allocation of production and costs.
- The Unit Agreement allows for periodic expansion and contraction relative to areas within the unit which contribute to sustained production.



LEGAL REFERENCES

- AS 38.05.180(p) – Authorizing statute for unit formation
- 11 AAC 83.300-83.395 – Unit regulations

FOR MORE INFORMATION

Contact 907-269-8800
<http://dog.dnr.alaska.gov/Units/Units.htm>