



Application for Assignment of Working Interest in State of Alaska Oil and Gas, or Gas Only Exploration Licenses

Division of Oil & Gas
Alaska Department of Natural Resources
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General Information and Instructions

The Department of Natural Resources (DNR) evaluates assignments and transfers of interest to ensure they will not adversely affect the State's interests; no assignment or transfer is binding upon the State unless approved by the commissioner (11 AAC 82.966, 11 AAC 82.605). During this process, DNR evaluates liability for dismantlement, removal, and restoration (DR&R). Any party holding an interest in the assigned licenses may be required to enter into a financial assurances agreement in the future to ensure dismantlement, removal, and restoration obligations can be met.

DNR endeavors to assist applicants in meeting their timing goals associated with their transaction. Statutory, regulatory, logistical, and workload realities may constrain the agency, including, for example, time required to evaluate the financial and risk aspects of the transfer and to determine any financial assurances that may be required, and effective date options for assignments (11 AAC 82.969, 11 AAC 82.625 and license provisions).

- ✓ Use this packet to transfer working interest in any state oil and gas or gas only exploration license.
- ✓ Use this packet to transfer licenses and assets to a subsidiary or LLC; and/or when control of the license or assets is being transferred to a different entity such as through a change of LLC membership, merger, acquisition, stock or other ownership interest sale (11 AAC 82.966, 11 AAC 82.605).
- ✓ This packet initiates the transfer process with DNR, coordinated through the Division of Oil & Gas (DO&G).
- ✓ Please read all instructions carefully. Errors or omissions in the application may result in delays.
Contact DO&G at the numbers above if you have questions. **DO&G staff are available for a pre-application meeting.**

Document Submission Information *(submit the following to DNR as soon as possible)*

- All sections of this packet.
- Completed Exploration License Assignment Form (pages 6-8) for each ADL being transferred (11 AAC 82.966, 11 AAC 82.605-615). See page 5 for detailed instructions.
- The filing fee of \$150 per Exploration License Assignment Form must accompany the packet. Fees may be paid by including a check or money order made payable to the Department of Natural Resources.

Submit the following as applicable. DNR reserves the right to request additional information as necessary to fully analyze and evaluate the transfer and risks to the State. DO&G may request additional documents or information.

- Financial standing documentation. To protect the State's interests, applicants may be required to execute additional bonding and/or establish a financial assurances agreement with DNR.
- Corporate structure chart for intercompany assignments, audited financial statements for both the assignor (if the assignor is cosigning on a DR&R agreement) and assignee for the last three years (annual report, balance sheet, income statement, cash flow statement).
- Request to transfer plans of operation.
- Easement assignment applications, and letters and applications to transfer authorizations issued by other DNR agencies. DO&G will assist with and coordinate these transfers.
- Purchase and sale agreement; may be held confidential under AS 38.05.035(a)(8) if applicable and requested by the applicant.
- Estimates of abandonment costs generated by the licensee or a third party, if there are any improvements on the surface or subsurface.
- Reserves report if determined that additional bonding or financial assurances are required.

SECTION 3. Assignment Form
State of Alaska Working Interest Assignment

**ASSIGNMENT OF INTEREST IN OIL AND GAS or
GAS ONLY EXPLORATION LICENSES
DNR FORM DO&G 25-84 (revised 12/15)**

General Information and Instructions

- The assignment requirements are found at 11 AAC 82.966, 11 AAC 82.969, 11 AAC 82.972, and 11 AAC 82.605–.630.
- This form must be used for transferring a working interest.
- Only information requested on the Exploration License Assignment Form may be included on it. If extraneous information is included on the Assignment Form, it will be deemed in error and will be returned to the applicant for correction.
- If the application is approved, the effective date of the transfer is the first day of the month following the date on which the assignment application is filed and the filing fee paid. Upon prior written request, the effective date of the transfer may be the first day of the month in which the assignment application is filed (11 AAC 82.969, 11 AAC 82.625).
- Ownership percentage must be expressed in decimals with five or fewer digits to the right of the decimal, unless previously approved by the state.
- The assignor/seller and assignee/buyer must be qualified before the application can be approved. Please see the Qualification FAQ on DO&G's webpage for questions regarding qualifications. Qualification requirements can be found under 11 AAC 82.200 – 11 AAC 82.205.
- The addresses for the assignor and assignee should be the addresses on file with DO&G. Qualifications reports to verify and/or obtain the address currently on file may be obtained from DO&G's website. If the addresses on file are no longer current, please attach a letter requesting a change of address with the assignment application. ***Notice of approval or denial of assignment will be returned to these addresses.***
- Each form must:
 - Have only one assignor/seller.
 - Have only one assignee/buyer.
 - Have only one exploration license. If different ownership percentages are being transferred in different segments of one ADL, a separate form must be used for each segment.
 - Be filed in triplicate. One copy will be returned to the assignor, one will be returned to the assignee, and one will be retained by the state.
 - Be accompanied by a \$150 filing fee for the transfer of working interest. Fees may be paid by including a check or money order made payable to the Department of Natural Resources.
 - Be filed within 90 days of the final signing of the transfer by the assignor/seller; however, an assignment not filed within 90 days may be approved, at the discretion of the commissioner, where no intervening interest is filed.
 - ***Not*** include any added stipulations or extraneous information.
- If the notification licensee has changed, please designate a notification licensee in the space provided. The notification licensee is an agent authorized to receive notices on behalf of all licensees from the State of Alaska in connection with an exploration license. ***Please leave this field blank if the assignor or assignee for the assignment is not the current notification licensee.***
- The signature page must contain original signatures of both the assignor/seller and assignee/buyer witnessed by a notary public, the date, printed or typed name and title of the signatories, and if applicable, the company names and qualification file numbers. Individuals qualified to hold an exploration license, oil and gas, gas only, or geothermal lease are not assigned qualification numbers.

**APPLICATION FOR ASSIGNMENT OF INTEREST IN
EXPLORATION LICENSE
STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS**

- 1. License ADL #: _____ Segment: _____
- 2. Assignor/Seller: _____
- 3. Assignor's Address: _____
- 4. Assignee/Buyer: _____
- 5. Assignee's Address: _____

Working Interest*

- 6. Assignor's Current Ownership: _____
- 7. Amount to be Assigned: _____
- 8. Assignor is Retaining: _____

*Working interest percentage must be expressed in decimals with five or fewer digits to the right of the decimal unless previously approved.

9. LANDS AFFECTED by this assignment of interest (attach Exhibit A if necessary)

T. _____, R. _____, _____ Meridian

Containing _____ acres, more or less.

The **Notification Licensee** for the purpose of receiving any and all notices from the State of Alaska in connection with the exploration license will be:

Notification Licensee Name: _____ **ATTN:** _____
Address: _____

City, State, ZIP: _____
Phone: _____ **Email:** _____

We, the undersigned, affirm (1) that the information provided on this application is true and correct and that it is filed pursuant to 11 AAC 82.966, 11 AAC 82.972, 11 AAC 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in exploration licenses pursuant to 11 AAC 82.200 and 11 AAC 82.205. If the assignor were to surrender this exploration license or this exploration license were to terminate, the assignor would be required to deliver up the land in good order and condition to the satisfaction of the commissioner, which may include the requirements that the assignor plug and abandon all existing wells, remove all existing surface facilities, and fill and grade all existing pits in compliance with this exploration license and applicable regulations (Obligations). After the effective date of this assignment, the assignee is responsible for performing the Obligations. The assignee is primarily responsible for performing the Obligations and any other work necessary to deliver up the land in good order and condition. But if the assignee fails to perform the Obligations, the assignor is the assignee's surety and is secondarily responsible for performing the Obligations.

ASSIGNOR/SELLER SIGNATURE

Authorized Signature Date

Name & Title (Print or Type) Corporation/Company Name

UNITED STATES OF AMERICA DO&G Qualification File # _____

STATE OF _____

THIS CERTIFIES that on the _____ day of _____, 20 _____, before me appeared _____, known to me to be the person(s) named as assignor(s) or the assignor's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission Expires

ASSIGNEE/BUYER SIGNATURE

Authorized Signature Date

Name & Title (Print or Type) Corporation/Company Name

UNITED STATES OF AMERICA DO&G Qualification File # _____

STATE OF _____

THIS CERTIFIES that on the _____ day of _____, 20 _____, before me appeared _____, known to me to be the person(s) named as assignee(s) or the assignee's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission Expires

DO&G SIGNATURE

Division of Oil & Gas Decision Working Interest
Approved _____
Denied _____

Corri A. Feige, Director Effective Date
Division of Oil & Gas, State of Alaska

Exhibit A
(Legal Description Only)
ADL _____