

Assignment Packet A
Application for Assignment of Working Interest or Initial Separation
of Overriding Royalty Interest in State of Alaska
Oil and Gas, Gas Only, or Geothermal Leases



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 82.605). During this process, DNR evaluates liability for dismantlement, removal, and restoration (DR&R). Any party holding an interest in the assigned leases 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 goals associated with their transaction timeline. Statutory, regulatory, or logistical requirements, and workload may constrain the agency, including, for example, unit operator transfer timing requirements, 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 82.605 and lease provisions).

- ✓ Use this packet to transfer working interest or create an initial separation of overriding royalty interest in any state oil and gas, gas only, or geothermal lease.
- ✓ Use this packet to transfer leases and assets to a subsidiary or LLC. Please contact the Division for the appropriate form when control of the assets or leases is being transferred to a different entity through a change of LLC membership, merger, acquisition, stock or other ownership interest sale (11 AAC 82.605).
- ✓ This packet initiates the transfer process with DNR, coordinated through the Division of Oil & Gas (DO&G). If the State is lessor together with a private lessor, such as Arctic Slope Regional Corporation, the applicant must contact the private lessor directly for its transfer application and instructions.
- ✓ Please read all instructions carefully. Errors or omissions in the application may result in delays.
- ✓ Contact DO&G at the number 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 Assignment Packet A. (See Section 3 of this packet for detailed instructions.)
- Assignment Packet B, if applicable.
- A \$150 filing fee is required for the transfer of each lease. If multiple segments are being transferred with different percentages, a separate filing fee is required for each. 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 associated risks to the State. DO&G may request additional documents or information.

- Financial standing documentation such as 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). 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.
- Request to transfer plans of operation.
- Unit operator resignation and unit operator successor.
- 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 lessee or a third party, and updated production forecasts (including estimates of when abandonment may occur), if there are any improvements on the surface or subsurface.
- Reserves report if determined that additional bonding or financial assurances are required.



SECTION 1. Transaction Information
State of Alaska Working Interest Assignment



Today's Date:	Date Sale Was Publically Announced:	Anticipated Closing Date:
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Assignor/Seller Name:	Assignee/Buyer Name:
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1. Information about the transaction. Fully describe the nature of the transaction. If the transaction will be effected through a series of actions such as stock sale, sale of membership, and name change, list and describe each action. Attach any maps, as-builts, exhibits or other information to assist DNR in understanding the location and extent of the leases and assets being transferred. Attach additional sheets as necessary to fully explain the transaction.

2. List primary contacts for this transfer.

Primary Contact for Assignor/Seller:	
Name:	Phone:
Title:	Email:
Company:	
Primary Contact for Assignee/Buyer:	
Name:	Phone:
Title:	Email:
Company:	



SECTION 2. ADLs, DNR Permits, and DNR Authorizations

State of Alaska Working Interest Assignment



List in detail all DNR leases, permits, and authorizations subject to the transfer. Do not include authorizations for other agencies. Include ADLs, any authorized or pending applications for plans of operations, units and unit agreements, all other authorizations issued by DNR, and current bonds and/or financial assurances posted by the current lessee to DNR. Include the Division of Oil & Gas, Division of Mining, Land and Water, State Pipeline Coordinator's Office, and all other DNR agencies. Please be as specific as possible.

- ✓ ADL and Segment or Authorization Number: List the authorization number; specify segment for oil and gas leases if applicable.
- ✓ Type/Description: Include plans of operation, easements, temporary water use permits, land use permits, etc.
- ✓ Ownership Type: Specify, for example, Operator, "WI" for working interest, or "ORRI" for existing overriding royalty interest or initial separation of interest.
- ✓ Attach additional sheets if necessary to include all DNR leases, permits, and authorizations being transferred in the transaction.

ADL/Auth. Number Segment	Type/Description	DNR Division	Current bond? Bond #	Ownership Type	WI%	
<i>Examples</i>	<i>ADL 1234 Segment 1</i>	<i>Oil and gas lease</i>	<i>DO&G</i>	<i>\$500k Statewide Bond #12345</i>	<i>WI</i>	<i>50</i>
	<i>TWUP 12345</i>	<i>Temporary Water Use Permit</i>	<i>DMLW</i>	<i>NA</i>	<i>Operator</i>	<i>NA</i>
	<i>ADL 5678</i>	<i>Easement</i>	<i>DMLW</i>	<i>\$300,000 Bond #6789</i>	<i>Lessee</i>	<i>NA</i>

Section 2. ADLs, DNR Permits, and DNR Authorizations. *Continued*

ADL/Auth. Number Segment	Type/Description	DNR Division	Current bond? Bond #	Ownership Type	WI%



SECTION 3. Assignment Form

State of Alaska Working Interest Assignment or
Initial Separation of Overriding Royalty Interest



Assignment Form Instructions

- The assignment requirements are found at 11 AAC 82.605 – 11 AAC 82.615.
- This form must be used for transferring a working interest; or to create an initial separation of overriding royalty interest from a working interest.
- This Assignment Packet A is designed for the transfer of one lease. To transfer additional leases, complete this packet and the Assignment Packet B (see website) for additional leases in the transfer.
- A \$150 filing fee is required for the transfer of each lease. If multiple segments are being transferred with different percentages, a separate filing fee is required for each. Fees may be paid by including a check or money order made payable to the Department of Natural Resources.
- Only information requested on the application may be included on it. If extraneous information is included, it will be deemed in error and will be returned to the applicant for correction.
- When completing the assignment detail sheet(s), the current legal description for only the lease should be included. Do not submit the unit or participating area legal description or include reference to any unit or participating area or any historical legal descriptions. Applications containing this information will be returned to the applicants for corrections.
- 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.
- 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. Individuals qualified to hold an oil and gas, gas only, or geothermal lease are not assigned qualification numbers. Please see the Entity and Individual Qualification forms on DO&G's webpage for questions regarding qualifications. Qualification requirements can be found under 11 AAC 82.200 – 11 AAC 82.205.

Application Page 1 Instructions below. **You must submit three original signed copies of the application's signature page, regardless of the number of leases being transferred.**

Each form must:

- Have only one assignor/seller and only one assignee/buyer.
- Include the qualification numbers for the assignor/seller and assignee/buyer. Individuals qualified to hold an oil and gas, gas only, or geothermal lease are not assigned qualification numbers.
- Include the addresses for the assignor and assignee. The addresses 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 complete the appropriate Qualification form with the assignment application. ***Notice of approval or denial of assignment will be returned to these addresses.***
- 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.
- Include new notification lessee information in the space provided, if applicable. The notification lessee is the agent authorized to receive notices on behalf of all lessees from the State of Alaska in connection with a lease. ***Please leave this field blank if the assignor or assignee for the assignment is not the current notification lessee.***
- Must contain original signatures in the signature block for 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 name(s).

Application Page 2 Instructions below. **Submit one copy of the Lease Assignment Detail Sheet. To transfer more than one lease, download Assignment Packet B from our website.**

Each form must:

- Have one ADL number listed. The segment should be filled in if the transfer is for a specific segment.
- Contain the assignor's current ownership, amount to be assigned, the amount the assignor is retaining, and any existing overriding royalty interest being transferred. The initial separation of overriding royalty interest field should be completed as necessary when applicants are creating a new overriding royalty interest.
- Include the correct lease legal description for the land being transferred. Legal descriptions can be obtained from the on-line Alaska Department of Natural Resources Land Administration System.

**APPLICATION FOR ASSIGNMENT OF INTEREST IN OIL AND GAS,
GAS ONLY OR GEOTHERMAL LEASE(S)
STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS**

1. Assignor/Seller: _____ DO&G Qualification #: _____
2. Assignor's Address: _____

3. Assignee/Buyer: _____ DO&G Qualification #: _____
4. Assignee's Addresses: _____

5. The **Notification Lessee** for the purpose of receiving any and all notices from the State of Alaska in connection with the lease will be: **Name:** _____
Complete Mailing Address: _____

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 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in oil and gas leases pursuant to 11 AAC 82.200 and 11 AAC 82.205. If the assignor were to surrender this lease or this lease 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 lease 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

_____ Print Name & Title	_____ Sign Name	_____ Date
UNITED STATES OF AMERICA STATE OF _____		
THIS CERTIFIES that on the _____ day of _____, 20____,		
before me appeared _____		
known to me to be the person 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

_____ Print Name & Title	_____ Sign Name	_____ Date
UNITED STATES OF AMERICA 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	

LEASE ASSIGNMENT DETAILS

ADL:

Segment:

	Assignor's Current Ownership	Amount to be Assigned	Assignor is Retaining
Working Interest			
Existing Overriding Royalty Interest			
Initial Separation of Overriding Royalty			

Approved	Denied	DNR USE ONLY

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

LANDS AFFECTED by this assignment of interest: T _____, R _____, _____ Meridian

Containing _____ acres, more or less

**DO&G
SIGNATURE**

Chantal Walsh, Director
Division of Oil & Gas, State of Alaska

Effective Date

To transfer additional leases, download Packet B from our website and attach one completed copy of additional lease assignment detail sheets as necessary.