

11 AAC 83.306 Application Requirements

1. Unit Agreement and Exhibits, Executed by “Proper Parties.”
 - a) The record owners of any right, title, or interest in the oil or gas reservoirs or potential hydrocarbon accumulations to be included in a unit are the proper parties to the unit agreement. All proper parties must be invited to join the unit agreement.”
 - b) Parties to the unit agreement must hold sufficient interest in the unit area to give reasonably effective control of operations. 11 AAC 83.316 (c).
 - c) Evidence to obtain joinder of any proper party who has refused to join the unit agreement. 11 AAC 83.328 (a)
2. Plan of Exploration or Plan of Development. 11 AAC 83.341 or 83.343.
3. Unit Operating Agreement, executed by the Working Interest Owners.
4. Pertinent geological, geophysical, engineering, well data and interpretation. (See Attachment 3, Data Requested for an Application to Form or Expand a Unit or Participating Area)
5. Explanation of proposed modifications of the standard state unit agreement form
6. Application fee; \$10,000 for a new unit, \$1,500 for an expansion or amendment to an existing unit.

Data Requested for an Application to Form or Expand a Unit or Participating Area

Below are guidelines for the types of geological, geophysical, and engineering data that are generally required in order for the Division of Oil and Gas to adequately evaluate an application for unit or participating area formation and/or expansion. At least 90 days before sustained unit production, the unit operator must submit for approval a description of a proposed participating area. 11 AAC 83.351.

Under 11 ACC 83.356:

A unit must encompass the minimum area required to include all or part of one or more oil or gas reservoirs, or all or part of one or more potential hydrocarbon accumulations.

Under 11 AAC 83.351:

The participating area may include only the land reasonably known to be underlain by hydrocarbons and known or reasonably estimated and known or reasonably estimated through the use of geological, geophysical, or engineering data to be capable or producing or contributing to production of hydrocarbons in paying quantities.

Under 11 AAC 83.371(a), the unit operator shall also submit a proposed division of interest or formula setting out the percentage of production and costs to be allocated to each lease or portion of a lease within the participating area.

And under 11 AAC 83.306 (4):

All pertinent geological, geophysical, engineering, and well data, and interpretation of those data, directly supporting the application are required as part of a complete application.

The operator is responsible for providing enough data to demonstrate the hydrocarbon potential of a proposed unit or the presence of hydrocarbons in a proposed PA application. In order to expedite the process, it is prudent for the operator to supply relevant geological, geophysical, and engineering data at an early date in order for the Division's Resource Evaluation staff to properly assess the application. The operator should submit relevant data at least 3 to 5 days before a proposed technical meeting in order to facilitate the discussion and review process.

Specific data requirements may vary depending on the unique aspects of each requested action. Additional geologic information and interpreted data may be required to evaluate proposed tract allocation factors. The following is a generic list of information that the division requests for evaluation of the acreage to be included in a unit or participating area.

- 1) A base map of the area with all well locations (including well name/number, surface, and bottom hole locations), lease data (outlines and ADL numbers), township, range and section information, a scale, and the Unit/PA outline with Tract boundaries and numbers.

- 2) Geological maps for each reservoir including at a minimum, net pay isopach or hydrocarbon pore-foot maps and top structure contour maps of each pay horizon to be considered. Each map should be clearly labeled and at a scale large enough to be easy to read.
- 3) Interpreted pertinent well logs including: final composite digital measured depth (md) and total vertical subsea depth (tvdss) curves and digital directional survey information.
- 4) Annotated representative cross section(s) through the unit or participating area.
- 5) Relevant test and production information.
- 6) Sufficient interpreted seismic data to support the interpretation presented by the structure and isopach maps. The operator should submit an interpreted arbitrary seismic profile approximately along proposed and appropriate existing well-bore path(s) associated with available 3-D seismic coverage.