

**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 or Licenses**



Division of Oil & Gas  
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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 or license. Applicants for an initial separation of interest should be aware that proposals over extending the royalty burden of a lease can adversely affect the interests of the state and may be denied.
- Use this packet to transfer leases, licenses and assets to a subsidiary or LLC. Please contact the Division of Oil & Gas (DO&G) 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 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.
- This form is designed for transfers of ownership percentage expressed in decimals with five or fewer digits to the right of the decimal. If the state previously approved an interest out to more than five decimals, please contact the DO&G for the appropriate form.
- 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.
- Effective December 26, 2019, a \$250 **filing fee** is required for each lease assignment. Fees may be paid by including a check or money order with this packet, made payable to the Department of Natural Resources. (11 AAC 05.110(d)(3)(M))

***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 (11 AAC 88.115)***

- 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.
- Unit operator resignation and unit operator successor, and/or 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 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



<b>Today's Date:</b>	<b>Date Sale Was Publically Announced:</b>	<b>Anticipated Closing Date:</b>
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<b>Assignor/Seller Name:</b>	<b>Assignee/Buyer Name:</b>
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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 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. Applicants for an initial separation of interest should be aware that proposals over extending the royalty burden of a lease can adversely affect the interests of the state and may be denied.
- 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.
- Effective December 26, 2019, a \$250 filing fee is required for each lease assignment. Fees may be paid by including a check or money order, made payable to the Department of Natural Resources. (11 AAC 05.110(d)(3)(M))
- 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(s) 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.
- Complete the assignment details for only the interests being assigned with this application. For example, if applying solely to create an initial separation of overriding royalty interest, do not complete the details for working interest.
- 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 are under 11 AAC 82.200 – 82.205

Application Page 1 Instructions below. **You must submit an original copy of the applicant's signature page. If you would like the Assignee to receive an original copy of the signature page, you may submit two.**

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.**

- 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.



**LEASE ASSIGNMENT DETAILS**

**ADL:**

**Segment:**

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

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

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