

LAS Workshop

Adjudication Unit

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Minerals Management Service
Gulf of Mexico OCS Region
New Orleans, Louisiana

General Rules



General Rules

- All actions must be accompanied by a cover letter.
- All actions for which a service fee is charged must be accompanied by a receipt evidencing payment via Pay.gov.

General Rules for All Assignments

- All parties must be qualified by MMS
- Assignee(s) must be
 - in good standing
 - with acceptable performance as provided under 30 CFR 250 and 256.
- All forms must be typed
- Witnesses, notarial acknowledgements and corporate seals are not required.

Lease Number

- The lease number must be typed exactly as it appears on the lease instrument. It must
 - Be identical to the lease instrument with regard to either “OCS” or “OCS-G”
 - Match exactly the number of leading zeros, if any

Incorrect Lease Number

- Any forms submitted that contain an incorrect lease number
 - Will be returned to the submitter
 - Will be subject to additional service fees

➤ Examples

Lease Reflects:

OCS-G 2113

OCS-122

Incorrect:

OCS-G 02113

G 00122

Lease Numbers

- Lease instruments for active leases can be found at

<https://www.gomr.mms.gov/WebStore/pimaster.asp?appid=11>

Legal Descriptions

- All legal descriptions must include the block number and the area name identified on the lease instrument.
- Must include additions, extensions (e.g., Eugene Island Area, South Addition)
- Only include the word “Area” if it appears on the lease.

Legal Descriptions

- Split Blocks/Partial Blocks must include the specific language that describes the portion of the block
 - (i.e., “. . . seaward of the 1975 Supreme Court Decree Line . . .”)
- If the official map description is included, it must be correct
 - (i.e., “. . . OCS Leasing Map, Louisiana Map No. 4A.”)

Signature Blocks

- The signature blocks must contain the name of Assignor or Assignee exactly as it appears in the qualification documents on file with the MMS
- The MMS Company Qualification Number must follow the name (i.e., ABC Oil Company, Inc. (12345)).

Signature Block

- Must have the signature of authorized signatory for Assignor and Assignee.
- The signatory must
 - Be authorized under the company qualification documents on file with the MMS.
 - Execute in accordance with qualification documents (signatory must sign his or her name exactly as reflected in the qualification documents.)

Signature Block

- The signatory's name must be typed under the signature exactly as it appears in the qualification documents.
- The signatory's title must be typed under the signature exactly as it appears in the qualification documents.
- No variations or abbreviations of names or titles of the signatory will be accepted.

Names and Company Numbers

- All filings must have the correct names of all parties with their correct GOM company number
- All names must be entered exactly as they appear on file with the MMS.
- Punctuation and capitalization, and the use of “and” or “&” must be exact.
- No variations or abbreviations of names are accepted

Transmittal Letter

- The transmittal (cover) letter must accompany the assignment
- It must
 - Be executed on behalf of one of the parties to the transfer.
 - Identify the parties to the transfer with their GOM company numbers and the lease affected.

Transmittal Letter

- The letter can be signed by any company official or a third party if the third party provides a letter of authorization
- When using generic corporate letterhead, a subsidiary must clearly identify itself by typing its name in the signature block.

Paying for Transfers

- All assignments must have a pay.gov receipt. This includes Assignment of Record Title, Operating Rights, and Pipeline Right-of-Way Grants.
- The MMS no longer accepts checks, money orders, or cashier's checks.
- Fees are adjusted for inflation and the current fee for a transfer of interest is \$186.00.

Incomplete Submissions

- If early in the evaluation process, an assignment is deemed "incomplete," it will not be subject to additional service fees upon resubmission.
- Such "incomplete" assignments will be returned with a receipt stamped "Incomplete."
- You must include a copy of the receipt stamped "Incomplete" with your resubmission.

Other Necessary Forms

- All assignments must be accompanied by the following additional forms, if applicable:
 - Designation of Operator
 - Oil Spill Financial Responsibility
 - General and/or Supplemental Bonds.

Designation of Operator Forms

Guidelines for Changes to the Designation of Operator of an OCS Oil and Gas or Sulphur Lease can be viewed at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2008NTLs/08-g19.pdf>

Oil Spill Financial Responsibility Forms

Guidelines for Oil Spill Financial
Responsibility (OSFR) for Covered
Facilities can be viewed at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2008NTLs/08-n05.pdf>

General Lease Surety Bonding Forms

Guidelines for General Lease Surety
Bonds can be viewed at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/ntl00-g16.html>

Supplemental Bonding Forms

Guidelines for Supplemental Bond
Procedures can be viewed at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2008NTLs/08-n07.pdf>

90-Day Rule

All assignment forms must be filed with the appropriate OCS office of the Minerals Management Service within ninety (90) days after the last date of execution by an Assignor or an Assignee.

30 CFR 256.64(a)(2)

Fixing Stale Executions

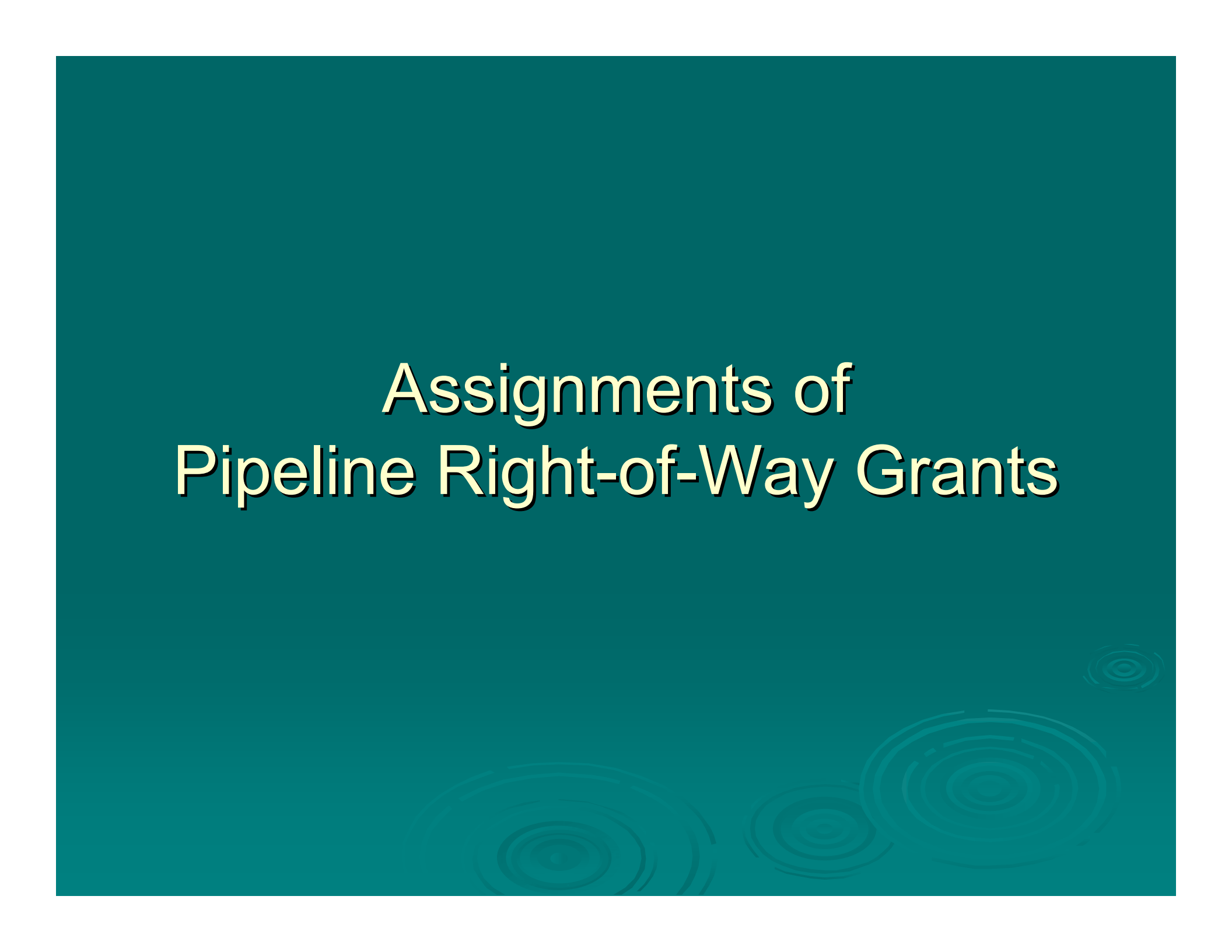
If an Assignment is returned because it is filed after 90 days of the last date that a party executes the form, you may:

- Have one party execute a new Page 2 of the assignment form with a current date
- Cross out the party's old execution
- Attach the new updated execution as a counterpart.

Restricted Joint Bidders List

- Assignments in which the Assignee is on the Restricted Joint Bidders List will be forwarded to the Department of Justice for review, prior to approval (30 CFR 256.65).
- Some delay should be expected in awaiting notification of approval for such assignments.

Assignments of Pipeline Right-of-Way Grants



General Pipeline Assignment Rules

Form MMS-149 “Assignment of Federal OCS Pipeline Right-of-Way Grant” can be found at:

<http://www.gomr.mms.gov/homepg/mmsforms/FormMMS-149.pdf>

General Pipeline Assignment Rules

- Assignment forms for Pipeline Right-of-Way Grants must be filed in triplicate originals.
- The MMS will not review or approve assignment forms in excess of the three required.
- Separate assignment forms must be used for each right-of-way.

General Pipeline Assignment Rules

- Assignments must be accompanied by the following additional information/forms, if applicable:
 - Identification of operator if pipeline will not be operated by assignee [see 30CFR250.1000 (b) (2)]
 - Oil Spill Financial Responsibility Forms, and
 - General and/or Supplemental Bonds.

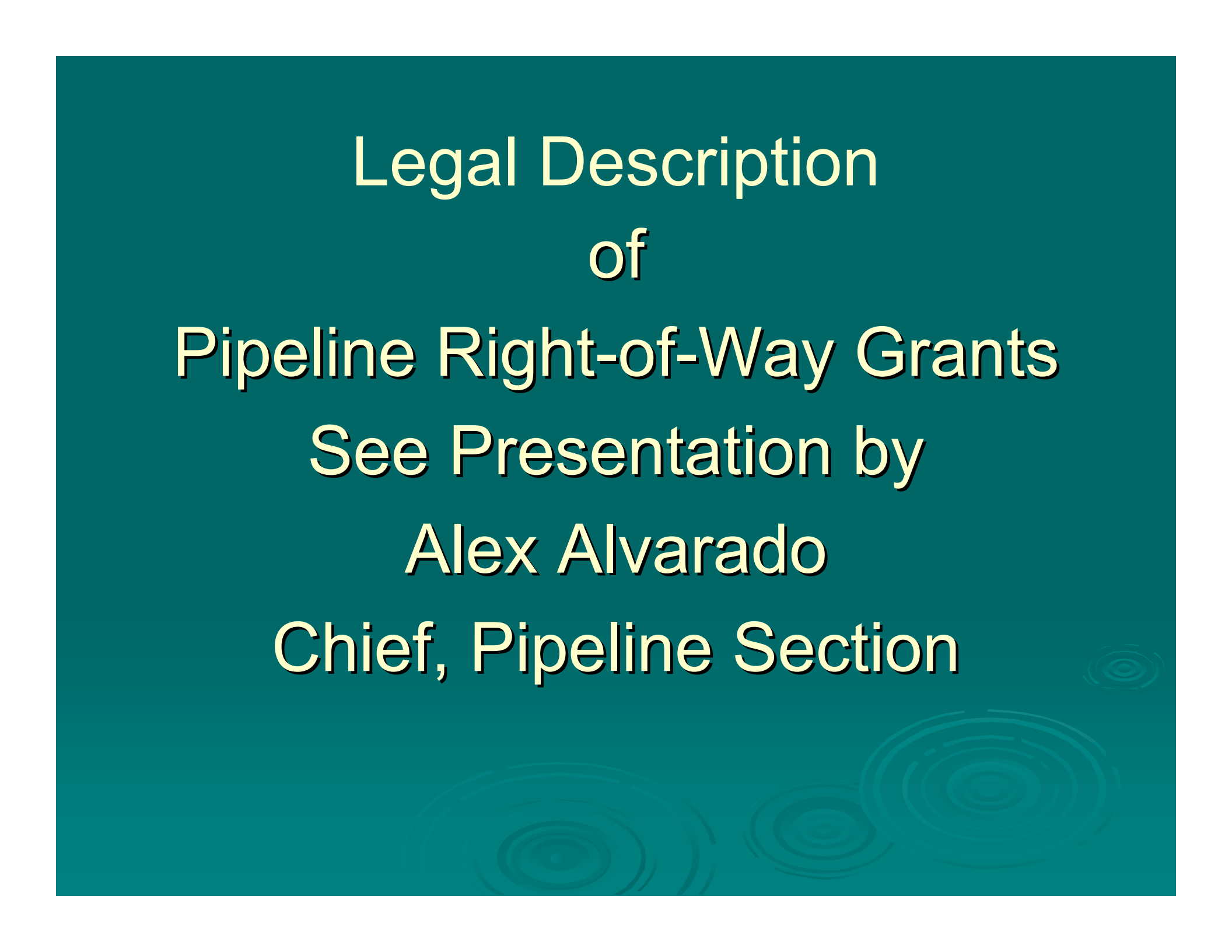
Pipeline Assignment Rules

- An Assignment of a Pipeline Right-of-Way held 100% by one holder must be a 100% transfer to one new holder.
- Pipeline Right-of-Way grants that are currently held by more than one party are considered “grandfathered in.”
- The MMS will allow assignments of the holder’s proportionate interest to another party.

Pipeline Assignment Rules

- A Pipeline Right-of-Way Grant holder may transfer interest in a lineal segment of a right-of-way.
- However, the new lineal segment is considered a new right-of-way and a new right-of-way number will be issued.

Legal Description
of
Pipeline Right-of-Way Grants
See Presentation by
Alex Alvarado
Chief, Pipeline Section



Assignments of Record Title Interest in OCS Leases

Completing Assignment
Form MMS-150,
The do's and don'ts

General Rules

- Form MMS-150 “*Assignment of Record Title Interest in Federal OCS Oil and Gas Lease*”
- This form can be found at
<http://www.gomr.mms.gov/homepg/mmsforms/FormMMS-150.pdf>

General Rules

- Assignment forms for record title interests must be filed in duplicate originals.
- Separate assignment forms must be used for
 - each lease
 - each officially designated subdivision in a lease, e.g., in a lease wherein record title has been divided into subdivisions

General Rules

- The MMS will not review or approve assignment forms in excess of the two required.
- If you submit more than the required two originals, the additional copies will be returned with the approved assignment.

Effective Date

- The lease effective date can be typed using either of the following date formats (12/13/89 or December 13, 1989)
- Any forms submitted with an incorrect effective date will be
 - Returned to the submitter
 - Be subject to additional service fees.

Assignment Where Lease Covers Whole Blocks

- Description must indicate whether all of the block or a portion of the block is being assigned.
- Portion of the block assigned must be described in $\frac{1}{2}$ and $\frac{1}{4}$ aliquot only – no $\frac{3}{4}$ or $\frac{1}{3}$ descriptions allowed.

Assignment Where Lease Covers Whole Blocks

- The smallest aliquot part that can be used is $\frac{1}{4} \frac{1}{4} \frac{1}{4}$ of the block (i.e. NW/4 NW/4 NW/4).
- If a partial relinquishment changed the area covered by the lease after it was issued, provide the up-to-date description.

Assignment of Split Blocks or Partial Blocks

- Description contained in the lease instrument should be used.
- There is no need to attach to the assignment form the OCS Block Diagram that is attached to the lease instrument.
- For example, where lease description states “. . . specifically described in the following OCS Block Diagram.” You may say “. . . specifically described in the OCS Block Diagram **attached to the lease instrument.**”

Assignment of Record Title for Less than Entire Block

- “Less and Except” language is not acceptable when assigning less than entire block.
- If new record title rights do not cover all of the block, do not use the language “All of the Block” and then narrow it down by limiting it to certain aliquots.

Names and Company Numbers

- Names of all parties, with their GOM company number in parentheses, must be on page 1 and in the signature blocks on page 2.
- Names must be entered exactly as they appear on file with the MMS.

Number of Parties

- The forms allow up to five Assignor names and up to five Assignee names.
- Where there are “overflow parties”:
 - Fill out all portions of an additional Page 1 of the form.
 - In the fifth space provided on the original Page 1, type the following: “Additional parties to this assignment are listed on the attached counterpart Page 1.”
 - File all counterparts simultaneously.

Percentage of Interest Transferred

- Enter the interest assigned and received expressed as a percentage of total interest in the lease (or officially designated subdivision of lease assigned).
- Undivided interests may be expressed using a maximum of five decimal places (22.12345%).
- The total of the interest being transferred by Assignor(s) must equal total interest being received by the Assignee(s).

Additional Provisions

- All other provisions between Assignor(s) and Assignee(s) may be attached to the assignment form as Exhibit “A.”

Effective Date

- In the middle of Page 2 you may enter an effective date for the assignment.
- If an effective date is not entered, the assignment shall be deemed to be effective on the first day of the lease month following filing. 30 CFR 256.62 (c).
- The MMS does not accept future effective dates.

Use of Counterparts

- Counterparts may be used if all parties to an assignment are not able to be present at the same time for signing or if there are more parties to an assignment than there are signature blocks available (“overflow parties”).
- Use counterparts only when necessary to minimize the number of pages MMS processes and files, please.

Counterpart Rules

- All counterparts must be filed simultaneously or the assignment will not be accepted.
- For counterpart signatures use only additional copies of Page 2 of the form.
- Use of multiple copies of Page 1 of the form is only allowed when there are overflow parties – more than five Assignors or more than five Assignees.

Additional Issues on Assignment of Record Title

Segregated Leases

When an assignor assigns 100% of its record title interest in a subdivision of a lease (i.e., the NE $\frac{1}{4}$ of lease block), this assignment creates a new or segregated lease (30 CFR 256.68).

Segregated Leases

- The lease being segregated from the original lease will receive the new OCS number.
- The lease numbers will be assigned after coordination with the MMS's Office of Field Operations for a determination on existing well and production logs referencing the original lease number.

Segregated Leases

- The assignee becomes a lessee of the Government and is bound by the terms of the original lease as though the lease had been obtained from the United States in the assignee's own name.
- The assignment, after it is approved, shall be the basis of a new record.

Segregated Leases

- In the event of segregated leases, production on any portion of the originally leased acreage will extend the retained and the segregated portions only on those leases segregated **prior** to September 26, 1979. 30 CFR 256.68 (c).
- Any lease segregated after this date will be extended using the same criteria applied to standard original leases; that is, production, drilling, or well reworking operations.

Avoiding Unintentional Segregation of Lease

- When record title has been subdivided into tracts but there is common ownership throughout the tracts, the lease will not be segregated.
- On occasion, when attempting to transfer interest in such a lease, an unintentional segregation could be effected.

Example of Unintentional Segregation

Record title in a lease has been subdivided into two tracts with the following ownership:

N $\frac{1}{2}$ (Company A = 50% and Company B = 50%)

S $\frac{1}{2}$ (Company B = 50% and Company C = 50%).

The common ownership of Company B is keeping the lease from being segregated.

Example of Unintentional Segregation

If Company B seeks to transfer all of its interest to Company D, they will be required to file separate assignment forms for each subdivision (one for the N ½ and one for the S ½).

After processing the first assignment form, there will no longer be common ownership in the Subdivisions; therefore, the lease will be segregated.

Avoiding Unintentional Segregated Lease

In order to avoid this, you must

- File the transfers simultaneously.
- State in your cover letter that, after approval of all assignments, there will still be common ownership in all subdivisions and request that the lease not be segregated.

Effect of Severing Operating Rights on Record Title

An assignment of operating rights by any record title owner will cause all record title holders to be treated as if they had also separated the assigned operating rights from their record title rights.

Effect of Severing Operating Rights on Record Title

Subsequently, whenever a record title holder in such a situation desires to transfer all or a portion of its interest in the entirety of the lease, at least two assignments will be required:

- one to cover the record title interest; and
- one or more to cover the severed operating rights.

Supplemental Bond Waivers and Transferring Record Title

If the Assigning record title holder(s) is waived from supplemental bonding and transfers all of its record title ownership to an Assignee that is not waived from supplemental bonding, this assignment will trigger a review of the supplemental bonding requirements for the affected lease.

Supplemental Bond Waivers and Transferring Record Title

- After such review, the parties to the assignment will be notified of the supplemental bonding requirement and provided a 30-day time period in which to submit the required bonding.
- If the required bonding obligations are not met within the 30-day time period, the assignment will be returned and will be subject to additional service fees upon resubmittal.

Operating Rights Assignments



General Rules

- Form MMS-151 “*Assignment of Operating Rights Interest in Federal OCS Oil and Gas Lease*”
- This form can be found at
<http://www.gomr.mms.gov/homepg/mmsforms/FormMMS-151.pdf>

General Rules

- Assignment forms for operating rights interests must be filed in duplicate originals.
- Separate assignment forms must be used for each operating right subdivision.

General Rules

- The MMS will not review or approve assignment forms in excess of the two required.
- If you submit more than the required two originals, the additional copies will be returned with the approved assignment.

Depth Descriptions in Operating Rights

- The MMS allows a maximum of two vertical depth subdivisions: shallow and deep.
- Shallow and deep rights must be contiguous.
- All new operating rights assignments must have a defined beginning and ending depth.
- Examples:
 - 0 (Surface) – 10,000 feet TVD
 - 10,000 feet – 20,000 feet TVD

Depth Descriptions in Operating Rights

- The depth description should cover only the depth (i.e., surface to 15,000 feet TVD).
- Do not make reference to measured depths, stratigraphic equivalents, or information recited from a well log.
- This type of information may be included in the instrument of transfer and attached as Exhibit “A.”

Operating Rights Rules

- Approved operating rights tracts cannot be subdivided (either by aliquots or by depth).
- In an approved operating rights tract covering the N $\frac{1}{2}$ from surface to 20,000 feet TVD, the MMS will not approve subsequent assignments such as:
 - The NE $\frac{1}{4}$ NE $\frac{1}{4}$ from surface to 20,000 feet TVD; or
 - The N $\frac{1}{2}$ from surface to 10,000 feet TVD.

Merger of Record Title and Operating Rights

- Once an Operating Right Tract is approved, the only way to change the operating rights tract is through the merging of the approved operating rights back into record title.
- This can be accomplished when the operating rights and record title rights are owned in the same percentages by the same owners.

Merger of Record Title and Operating Rights

- A written request for such merging of interest must be signed by an authorized signatory for one of the lessees and submitted to the Adjudication Unit.
- Once the interests are merged, the record title owners are free to sever new operating rights.

Designations of Operator



30 CFR 250.143

- (a) You must provide the Regional Supervisor an executed Designation of Operator form (Form MMS-1123) unless you are the only lessee and are the only person conducting lease operations. When there is more than one lessee, each lessee must submit the Designation of Operator form and the Regional Supervisor must approve the designation before the designated operator may begin operations on the leasehold.

General DOO Rules

- Form MMS-1123 must be used for designating an operator. This form can be found at:

<http://www.gomr.mms.gov/homepg/mmsforms/1123a.pdf>

General DOO Rules

- Further information on DOOs can be found in NTL 2008-G19 at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2008NTLs/08-g19.pdf>

General DOO Rules

- Designation of Operator forms must be typed and filed in duplicate originals.
- New owners in the lease must submit Designation of Operator forms designating the current operator(s) that operate in the area they are acquiring an interest in, unless a change of the current operator is desired.

General DOO Rules

- If an assignment results in a change of operator, the Assignment must contain:
 - Two originally executed Designation of Operator forms from each “affected lessee” submitted simultaneously
 - A separate pay.gov receipt for the service fee for the change to Designation of Operator
- The Assignment, DOO’s, and fee must be submitted as one package. No piecemeal filings will be accepted.

Affected Lessee

“Affected Lessees” for a change of operator are:

- all record title owners; and
- the applicable operating rights owners who own an interest in the area affected by the change in operator.

Fees for Change of Operator

The current fee for the processing of change in designation of operator is \$164.00 per change.

Completing the DOO

- The DOO form must contain
 - The name of the designated operator, entered exactly as it appears in the company qualification files.
 - The correct GOM company number of the designated operator.
 - Name and title of the person signing for the lessee designating the Operator.

Description for the DOO

- The description of the area to be operated
 - Must include the block number and the area name, including additions and extensions.
 - Only use the word “Area” if it appears on the description on the lease instrument.

Description for the DOO

- Descriptions with “less and except” language are not acceptable.
 - If the area to be operated does not cover all of the block, do not use the language “All of the Block” and then narrow it down by limiting it to certain aliquots.
- Aliquot portions must be described using $\frac{1}{2}$ and $\frac{1}{4}$ only. The smallest aliquot portion that can be designated is $\frac{1}{4} \frac{1}{4} \frac{1}{4}$ of the lease block.

Description for the DOO

- DOO's must include all areas of the lease to be operated by a particular operator, in relation to what the lessee owns. A lessee cannot designate for more than they own.
 - May contain depth limitations applicable to the entire lease or to an aliquot part.
 - If depth limitations are specified, they must only cover the depth, i.e., surface to 15,000 feet TVD.
 - Do not make any reference to measured depth, stratigraphic equivalents, or information recited from a well log.

Description for the DOO

- The MMS GOMR will not approve requests that designate an operator of an individual well or multiple wells.
- When the MMS GOMR approves a change of operator, the new designated operator becomes responsible for all wells, platforms, and lease term pipelines within the described lease or aliquot part(s).
- Pursuant to NTL 2008-G19, the MMS GOMR may grant an exception to this policy only in certain instances more fully described in the NTL.

Exception under NTL 2008-G19

- To request an exception under NTL 2008-G19:
 1. Contact Mr. B. J. Kruse, Chief, Office of Structural and Technical Support by email at bernard.kruse@mms.gov.
 2. If Mr. Kruse concurs that the exception should be granted, he will provide his concurrence via a reply to your e-mail.

Exception under NTL 2008-G19

3. Upon receiving concurrence from Mr. Kruse, submit the DOO to the Adjudication Unit **with a copy of Mr. Kruse's concurrence.**
4. Supply Pay.gov receipt for filing/service fees.
5. Designations of Operator for individual well(s) that are not accompanied by written concurrence from Mr. Kruse will be deemed incorrect and returned as incorrect.

DOOs for Individual Well(s)

- If a lease has an Operator designated and approved to operate individual well(s), it is considered “Grandfathered” in until new designation of operator forms are filed.
- The new DOO’s can be filed to change an operator or, in conjunction with an assignment, to a new interest owner.

DOO's for Individual Well(s)

- When the new DOO's are filed, the operator must be designated by describing the aliquots associated with the well(s) and any depth restrictions, if applicable.
- The new DOO's should not describe any wells.

Changes of Operators on Inactive Leases

General Rule:

The MMS does not allow changes of Operators on inactive leases.

Changes of Operators on Inactive Leases

➤ Exceptions

- Bankruptcy of the last Operator of an inactive lease where the Operator can no longer fiscally operate.
- Handled on a case-by-case basis.
- Must contact Offshore GOM Bankruptcy Coordinator, Cathy Moser.

Operators of Inactive Leases

- The Operator at the time the lease became inactive is the only entity that can file applications for permits to
 - Plug and abandon existing wells.
 - Remove existing platforms.

Operators of Inactive Leases

- The operator of the inactive lease may
 - File the applications for permits to perform the necessary work.
 - File the applications for permits and allow another party to perform the necessary work on a contract basis.
 - Designate another party as a local agent to file the applications.

Local Agents of Operators

- The Operator may designate a local agent in the Electronic Well Permitting and Reporting System (eWell), as per 30 CFR 250.145(b) See: http://edocket.access.gpo.gov/cfr_2008/jul_qtr/30cfr250.145.htm.
- The local agent can be another lease operator.

Local Agents of Operators

- The Process and forms required to designate eWell administrators is in NTL No. 2007-G15, found at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g15.pdf>

- The Operator

- Must first have an eWell Administrator before they can designate a local agent for eWell.
- Can request an eWell Administrator by submitting a completed eWell Administrator Request Form included in the NTL.
- The eWell Administrator may set up the entitlements for the agent to limit access to a lease or well.

Additional Help

Additional help is provided for the Administrator in eWell online tutorials located at:

<http://ewell.gomr.mms.gov/help/tutorials.html>

Relinquishments



What is a Relinquishment?

- It is a release, relinquishment, and quitclaim by 100% of the record title interest owners of all of the rights, title, and interest in and to an OCS oil and gas lease, or subdivision thereof, submitted prior to the expiration of its primary term.
- If accepted, the relinquishment is effective on the date of filing with MMS.

Breakdown of the Definition

- It's a release, relinquishment, and quitclaim
- By 100% of the record title owners
 - Every record title owner has to sign and sign correctly.
 - Counterparts must be filed together.

Breakdown

- All of the rights, title and interest
 - There can be no reservations of rights.
 - Note that obligations stay with the former lessees but not any rights.
- . . . or subdivision thereof
 - You can relinquish a portion of the lease as long as you release an area no smaller than a $\frac{1}{4} \frac{1}{4} \frac{1}{4}$ aliquot.

Breakdown

- Submitted prior to the expiration of its primary term
 - If you submit your relinquishment form two days before the lease expires on its own terms, we will process it.
 - If it is submitted a day after the lease expires on its own terms, we will return it to you.

Nuts and Bolts

- Form MMS 152 can be found at:
<http://www.gomr.mms.gov/homepg/mmsforms/FormMMS-152.pdf>
- Must be accompanied by a cover letter
- The instructions on Page 2 of the form specifically require the lease number in the property description.
- There is no blank for the lease number – it must be in the property description.

Nuts and Bolts

➤ Signature Blocks

- The company name must be exactly as appears in our qualification files.
- The signatory must be authorized in our qualification files and sign exactly as in our files, with the exact title they are qualified under.
- Names must be printed or typed under the signature – we won't guess who is signing.

Nuts and Bolts

➤ Property Descriptions

- Total Relinquishment
- Partial Relinquishment (must be no smaller than a $\frac{1}{4}$ $\frac{1}{4}$ $\frac{1}{4}$ aliquot)
- In relation to ownership

Nuts and Bolts

➤ Lease Number

- The lease number must be exactly as shown on the original lease. To get the original lease number go to our website at

<https://www.gomr.mms.gov/WebStore/pifront.asp>

- Watch “leading zeros” and “OCS” or “OCS-G” issues.

Nuts and Bolts

➤ Pending Assignments

- We check for pending assignments and work them first. If a new record title owner comes from the assignment, they have to sign a relinquishment before the lease can be relinquished.

Nuts and Bolts

If the lease is expired by its own terms, we send the relinquishment back.

The relinquishment is effective on the date it is filed in the GOM Adjudication Office. If filed on the anniversary date or after, the annual rental or annual minimum royalty payments are still due for the next year.

Nuts and Bolts

➤ Number of Copies

- You must file three originals of the relinquishment.
- One copy goes to the lease file, one is to be scanned, and one is returned to you.

➤ Acknowledgement of Relinquishment

- The stamped copy you receive back is your acknowledgement it is accepted and it is effective as of the date of filing with the Adjudication Unit.

Nuts and Bolts

- Main reasons relinquishments get returned are the same for most returns
 - Lease number is missing from the description
 - Lease number is not correct
 - Incorrect or incomplete property description
 - Signatory name is wrong
 - Signatory title is wrong or missing
 - Signatory does not have authority to sign

Procedures for New Lease Acquisitions

Signing New Leases

- Must be signed by someone authorized to sign on the qualification card.
- Company Name must match exactly with the qualification.
 - If the Company is “ABC Oil LLC” (no commas or periods) then the lease cannot state “ABC OIL, L.L.C.”
 - Title of signor must be exactly as on Qualification Card. If it’s “Vice President” it cannot say V.P.

Signing New Leases

The Lessee's Obligations

- The successful high bidder must
 - execute the lease and return to MMS within 11 business days.
 - pay the remainder (4/5) of bonus and first year's rental.

Effective Date of the Lease

- The effective date on a lease is the first day of the month following the date it is signed by the Regional Director of MMS.
- If you request an earlier date:
 - Request must be in writing on Company Letterhead.
 - Letter must be signed by an authorized signatory on the Qualification Card.

Other Submittals

- If there is a sole lessee, a Designation of Operator is not needed and that sole lessee is deemed to be the designated operator.
- If there are multiple lessees, the lease must be accompanied by a DOO before a plan can be approved.
- General bonding requirements must be met either by
 - Lessee(s); or
 - Designated Operator

Filings for Record Purposes

Not for Approval

The background of the slide is a solid teal color. In the lower right quadrant, there are several faint, concentric circular patterns that resemble ripples on water, centered around the text 'Not for Approval'.

Two Types of Filings for Record Purposes

Required Filings for Record Purposes

Non-Required Filings



Slight Change in Nomenclature

- Historically both of these types of filings have been referred to as “Non-Required Filings.”
- However, it is a misnomer to call a Required Filing for Record a “Non-Required Filing.”

Documents Required to be Filed for Record Purposes

Overriding Royalty Interest

Production Payments

Net Profit Interest

The background of the slide is a solid teal color. In the lower right quadrant, there are several faint, concentric circular patterns that resemble ripples in water, centered around a point. These circles are lighter in color than the background and fade out towards the bottom right corner.

Documents Not Required to be Filed for Record Purposes

UCC Filings

Mortgages

Similar Documents



Requirement for Filing

- A “pay.gov” receipt
- Payment is presently \$27.00 for each document you file and for each lease affected.
 - Example: One ORRI filed in 10 leases is \$270.00
 - A Mortgage and ORRI filed in the same 10 leases is \$540.00

What You Must Submit

- One copy of what you are filing
- Extra copies if you wish to have one date stamped and returned to you
- Cover letter with the following information:
 - Name, address, and phone number of submitter
 - Complete listing of all documents filed showing
 - Title of documents
 - Parties
 - Leases affected (in numerical order)
 - Category of document

Document Categories

- 1 = Mortgage, Deed of Trust, Security Agreements
- 2 = Release of Mortgages or Liens
- 3 = UCC Filings and Financial Statements
- 4 = Abstracts of Judgments
- 5 = Overriding Royalty, Production Payments, Net Profit
- 6 = Liens and Lien Affidavits
- 7 = Contracts, Agreements and Conveyances
- 8 = Miscellaneous Filing Document Filings
- 98 = Pipeline Filing Documents
- 99 = Non-Specific Document Filings

Not Fees, Cost Recovery

Feeling better about
signing on to pay.gov



Cost Recovery

- Cost Recovery Schedule became effective on September 26, 2005.
- The Rule: Federal Register, Vol. 70 No. 164, Thursday August 25, 2005
- The authority: The Independent Offices Appropriation Act of 1952 (IOAA) 31 USC § 9701

Adjudications Section Cost Recovery Items

- Record Title transfer \$186
- Operating Rights transfer \$186
- Change in Designation of Operator \$164
- Pipeline Right-of-Way Grant assignment \$186
- Non-required Document fee \$27 document per lease affected

Mergers, Conversions, Name Changes, and Qualification Updates

Submittal of Qualification Updates

- Must be on Company letterhead.

Exception:

- Submitted by a third party if the third party provides a letter of authorization.

Submittal of Qualification Updates

- Must be submitted with the formalities of the original Qualifications, that is:
 - The update must have a corporate seal if submitted by a corporation.
 - Signed by authorized signatory of the entity with the exact same name and title as the original submittal or as contained in the Updated submittal.

Miscellaneous Tips



Miscellaneous Tips

- Use of Liquid Paper is acceptable.
- Please staple documents.

Payments through pay.gov

- Pay.gov is the U.S. Treasury's government-wide collection portal.
- It was developed specifically to process collections electronically using Internet technologies.

Payments through pay.gov

- Effective September 24, 2008, the MMS published a final rule requiring all lessees, operators, permittees, and right-of-way holders to pay all fees electronically.
- The MMS no longer accepts checks, money orders, or cashier's checks for payment of fees.

Miscellaneous Tips – Incomplete or Incorrect Filings

- Incomplete or incorrect actions may not be held for correction or supplementation.
- Every incomplete or incorrect action must be returned to the submitter for correction or supplementation.
- There will be no exceptions, regardless of past practices.

Miscellaneous Tips – Incomplete or Incorrect Filings

- When returned actions are resubmitted, they will be placed at the end of the line.
- This policy is implemented in order to streamline the processing of all actions filed with the Adjudication Unit.

Miscellaneous Tips – Mailing and Delivery

- All processed actions are sent to industry via the U.S. mail.
- Requests for faxing or e-mailing of processed actions cannot be granted.
- This policy is to ensure equal treatment for all parties doing business with the MMS and to avoid interruptions to the normal workflow.

Miscellaneous Tips – Overnight Delivery

Requests for overnight delivery of processed actions must

- Be requested in writing at the time the action is filed with the MMS.
- Include a pre-paid, self-addressed overnight envelope with the action when it is filed.

Miscellaneous Tips

Activity Report

- You can request to be on the e-mail mailing list for the Weekly Activity Report
- The Weekly Activity Report contains Adjudication Tips.
- These Tips
 - Address recurring issues with submittals to Adjudications.
 - Inform the public of new policies and/or procedures.
 - Keep the public abreast of special events, training, building closures, etc.

Miscellaneous Tips

- If you do not already receive this report and wish to do so, send an e-mail requesting to be added to the list of recipients to:

Colette.Worcester@mms.gov

Miscellaneous Tips – Contact Representatives

- Contact Representative handles inquiries from customers.
- Questions can be addressed to the Contact Representatives by calling (504) 736-2436.

Status of Pending Actions

- Official notification of the disposition of actions processed by the Adjudication Unit are typically provided to the submitter within 45 days of filing.
- If the status of an action is desired sooner, the submitter should review the Weekly Activity Report and/or the serial register pages, which can be found at:

<http://www.gomr.mms.gov/homepg/fastfacts/serialregister/srmaster.asp>

Status of Pending Actions

- The Adjudication Unit will only provide status updates after 45 days of filing an action.
- Direct request to Contact Representatives at (504) 736-2436 and must provide
 - date of filing
 - submitter name
 - type of action
 - affected lease numbers

Copy Rules

- Certified copies are \$1.00.
- The MMS will not accept copies of documents for certification.
- The MMS will only certify copies of documents generated by our office.

MMS Forms

- Don't alter the MMS forms.
- Examples:
 - Adding an additional signature block
 - Changing the assignment form to have one assignor and three assignee signature

Submittal of Originals

- Submit two originals of assignment forms for oil and gas leases (both record title and operating rights).
- Submit three originals of assignment forms for approval of Pipeline Right-of-Way Grants.
- Effective March 1, 2009, the MMS no longer reviews or approves assignment forms in excess of these required numbers of original assignments.

Questions?

