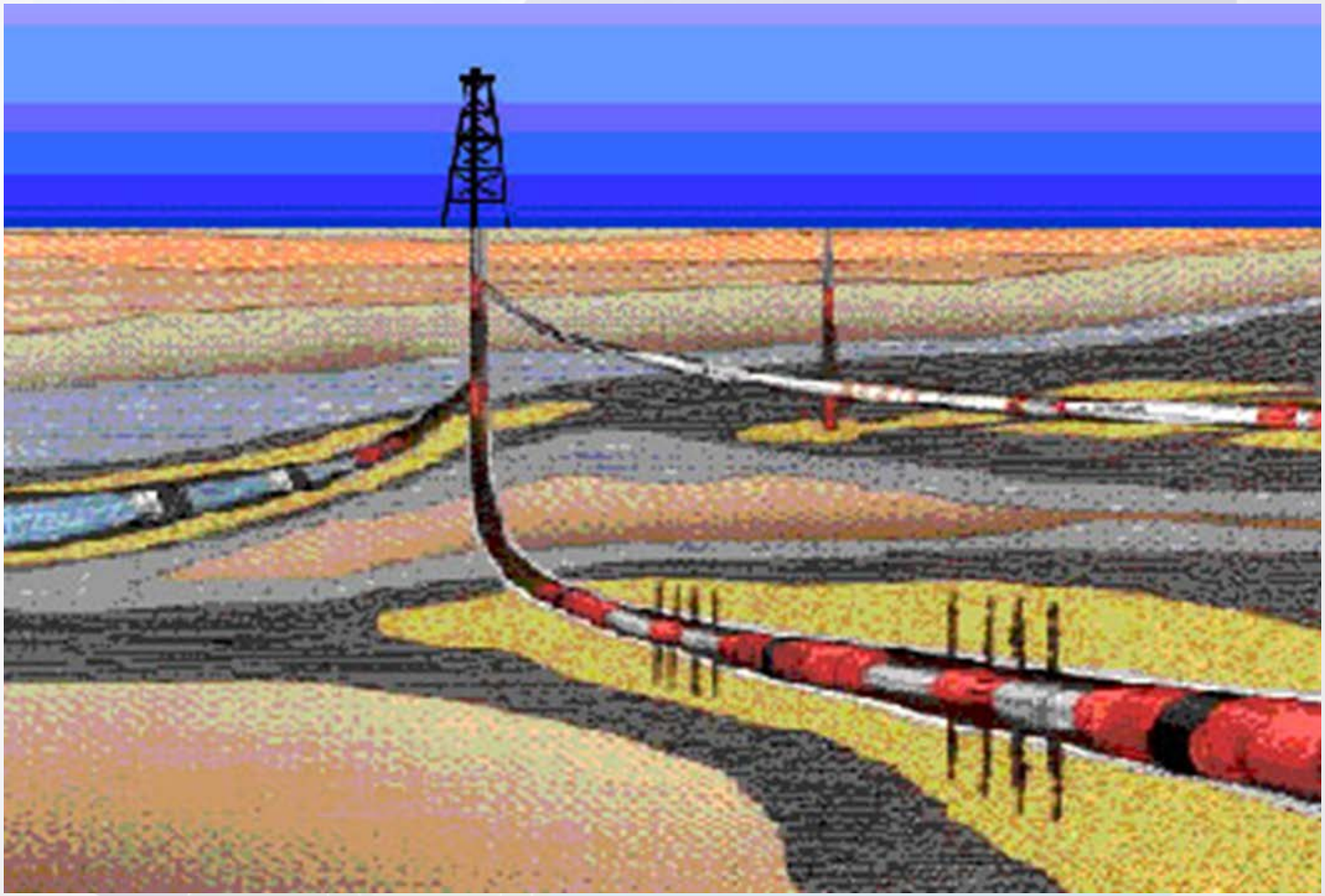
Overlapping Agreements



Objectives

After this course, you will be able to:

- Explain what an Overlap is and identify the main components.
- Be able to complete an Overlap, including:
  - Mapping the CA Overlap
  - Completing an ONRR-2014 form for the CA Overlap
- Discuss the new Overlap policies released by BLM and what that means to the Future of Overlaps.

Agreement Overlaps

An Agreement Overlap is when land of any type (Federal, Indian, Fee or State) is in more than one agreement and the same formation and is overlapping each other.

Total Overlap – CA is completely overlapping ONE Agreement.

- CA becomes silent and all Reporting, OGOR's and 2014's, are submitted on the agreement that CA is Overlapping.
- If the total overlap consists of MORE THAN ONE Agreement the CA is NOT silent and OGOR reporting stays with the New CA, the 2014's are submitted on the agreements the CA overlaps.

Partial Overlap – CA is partially within the Agreement

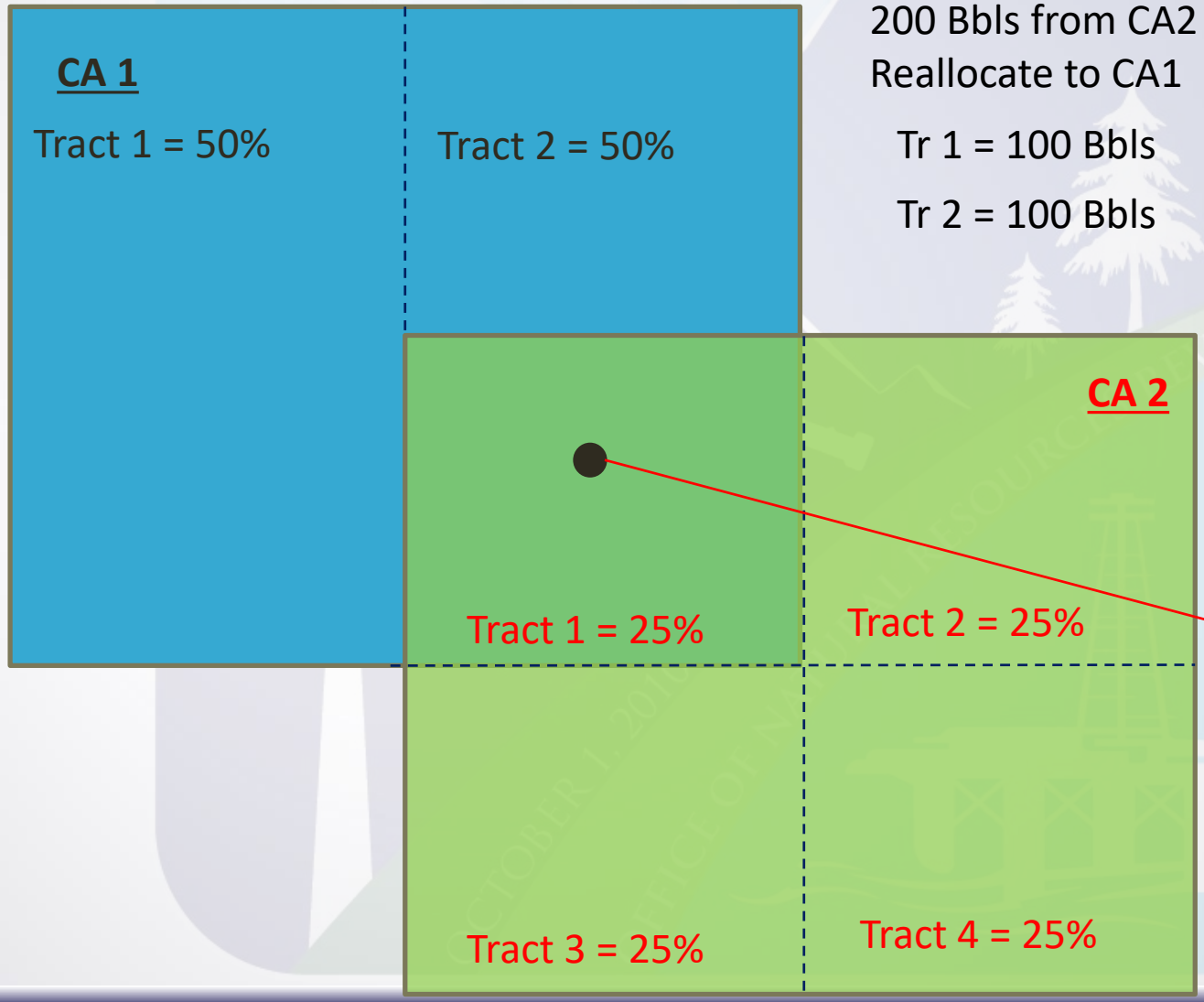
- OGORs: Each Agreement will report it's own Production.
- ONRR-2014: CA production allocated to the overlapped portion of the CA is then reallocated to the Overlapped Agreement in accordance with that Agreements allocation schedule.

Oil and Gas Reporting

- **OGOR –** All production is reported on the new source agreement.

- **ONRR-2014 –** CA production allocated to the portion overlapping another agreement is then reallocated to that overlapped agreement in accordance with the overlapped agreements allocation schedule.

Partial Overlap Example



200 Bbls from CA2
Reallocate to CA1

Tr 1 = 100 Bbls

Tr 2 = 100 Bbls

800 Bbls
produced & sold
From CA 2

Tr 1 = 200 Bbls

Tr 2 = 200 Bbls

Tr 3 = 200 Bbls

Tr 4 = 200 Bbls

Total Overlap Example

400 Bbls from CA 3
Reallocate to CA 1

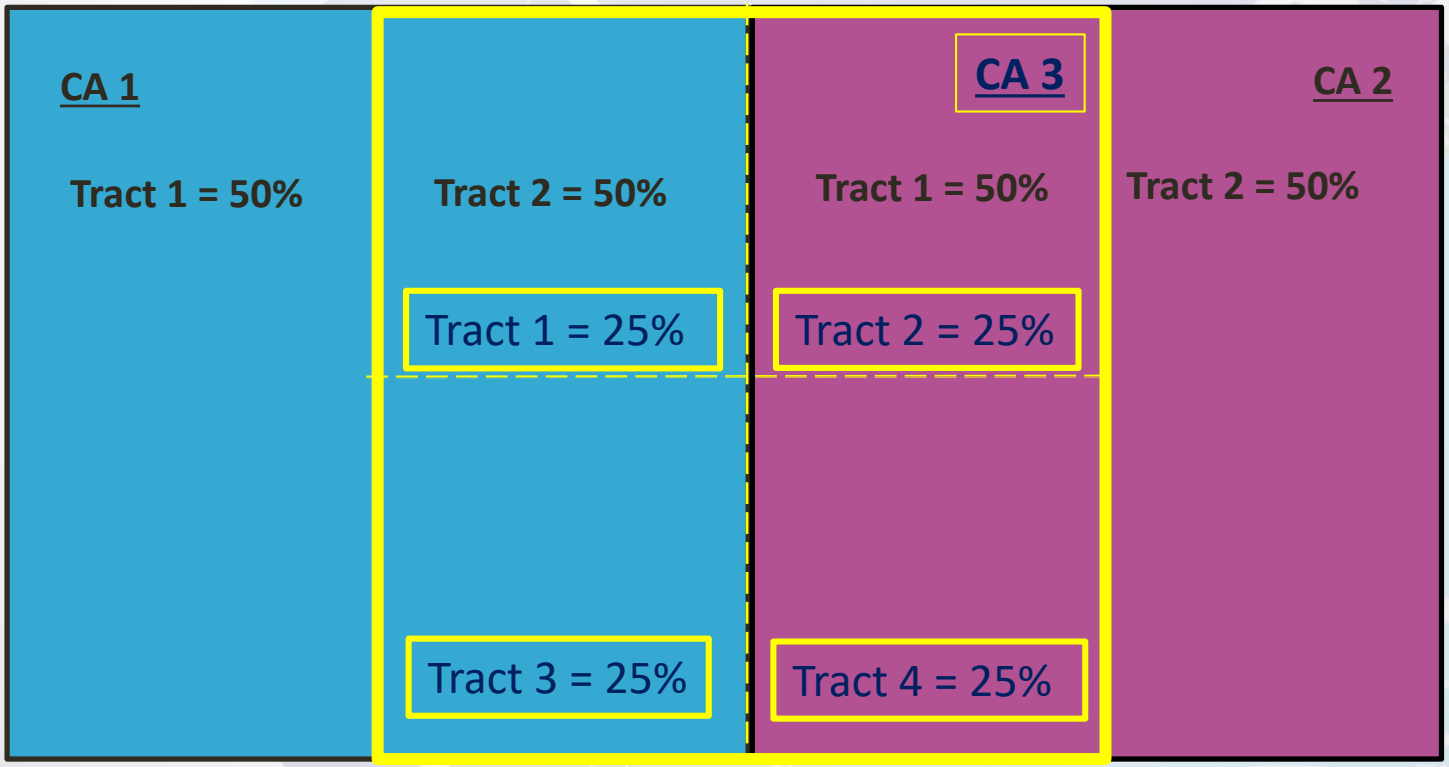
Tr 1 = 200 Bbls

Tr 2 = 200 Bbls

400 Bbls from CA 3
Reallocate to CA 2

Tr 1 = 200 Bbls

Tr 2 = 200 Bbls



800 Bbls
produced & sold
From CA 3

Tr 1 = 200 Bbls

Tr 2 = 200 Bbls

Tr 3 = 200 Bbls

Tr 4 = 200 Bbls

Let's Review

When does a CA fall Silent and All Reporting is done on the overlapped CA?

A. CA Overlaps MORE than one Agreement
B. CA Overlaps ONE Agreement
C. CA Partially Overlaps an Agreement

Example Overlap NDM110534

01 02-25-1920;041STAT0437;30USC181
Case Type 318310: O&G COMMUNITZATION AGRMT
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres: 3,785.120

Serial Number: NDM 110534

Serial Number: NDM--- - 110534

Name & Address					Int Rel	% Interest
SLAWSON EXPL CO INC	727 N WACO AVE STE 400	WICHITA	KS	672033900	OPERATOR	100.000000000
BLM NORTH DAKOTA FO	99 23RD AVE W STE A	DICKINSON	ND	586012202	OFFICE OF RECORD	0.000000000

Serial Number: NDM--- - 110534

Mer	Twp Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
05	1510N 0910W	029	ALIQ			W2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0910W	030	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0910W	031	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0910W	032	ALIQ			W2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0920W	025	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD
05	1510N 0920W	035	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD
05	1510N 0920W	036	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N 0920W	036	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD

Serial Number: NDM--- - 110534

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
06/01/2017	387	CASE ESTABLISHED	CA ESTABLISHED.	
06/01/2017	516	FORMATION	BKKN;BAKKEN	
06/01/2017	525	ACRES-NONFEDERAL	2383.72;62.9761%	
06/01/2017	526	ACRES-FED INT 100%	1401.40;37.0239%	
06/01/2017	868	EFFECTIVE DATE	/A/	
04/06/2018	580	PROPOSAL RECEIVED	CA RECVD.	
04/19/2018	654	AGRMT PRODUCING	/B/	
03/25/2019	334	AGRMT APPROVED		
03/25/2019	690	AGRMT VALIDATED		

Serial Number: NDM--- - 110534

Line Number	Remark Text
0001	/A/ RECAPITULATION EFFECTIVE 06/01/2017
0002	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0003	1 NDM 102094 1572.48 41.5437
0004	2 NDM 104433 1252.64 33.0939
0005	3 NDM 99116 480.00 12.6812
0006	4 NON-FEDERAL 480.00 12.6812

TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
1	NDM102094	1572.48	41.5437
2	NDM104433	1252.64	33.0939
3	NDM99116	480	12.6812
4	NON-FEDERAL	480	12.6812
	TOTAL	**3785.12**	**100.00**

Allocation Schedule for CA NDM110534 (W/OLAP)

See "Allocation Schedule" for breakdown of the land classifications.

Enter the below LTOA's, CRA's and OLAP's in Subdivisions (do not use for Fed/Ind land classifications)

Federal LTOA/CRAA (Not included in OLAP)

Tract #	Lease Number	Acres	Allocation	Absolute
001			0.000000	0.000000
002			0.000000	0.000000
003	2840991160	480.00	0.126812	0.126812
Total		**480.00**	**0.126812**	**0.126812**

Indian LTOA/CRAA (Not included in OLAP)

Tract #	Lease Number	Acres	Allocation	Absolute
			0.000000	0.000000
			0.000000	0.000000
			0.000000	0.000000
Total		**0.00**	**0.000000**	**0.000000**

Agreement Overlap (Fed/Ind/Fee/State)

Tract	Agreement No.	Acres	Allocation	Absolute
001	NDM102094	**1572.48**	**0.415437**	**0.415437**
002	NDM104433	**1252.64**	**0.330938**	**0.330938**

Tract	Agreement No.	Acres	Allocation	Absolute
		0.00	**0.000000**	**0.000000**
		0.00	**0.000000**	**0.000000**

Do Not use the below for your Land Classifications.

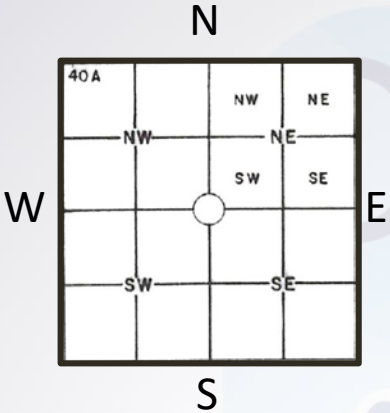
Fee/State [Combined] Land (not incl in OLAP)

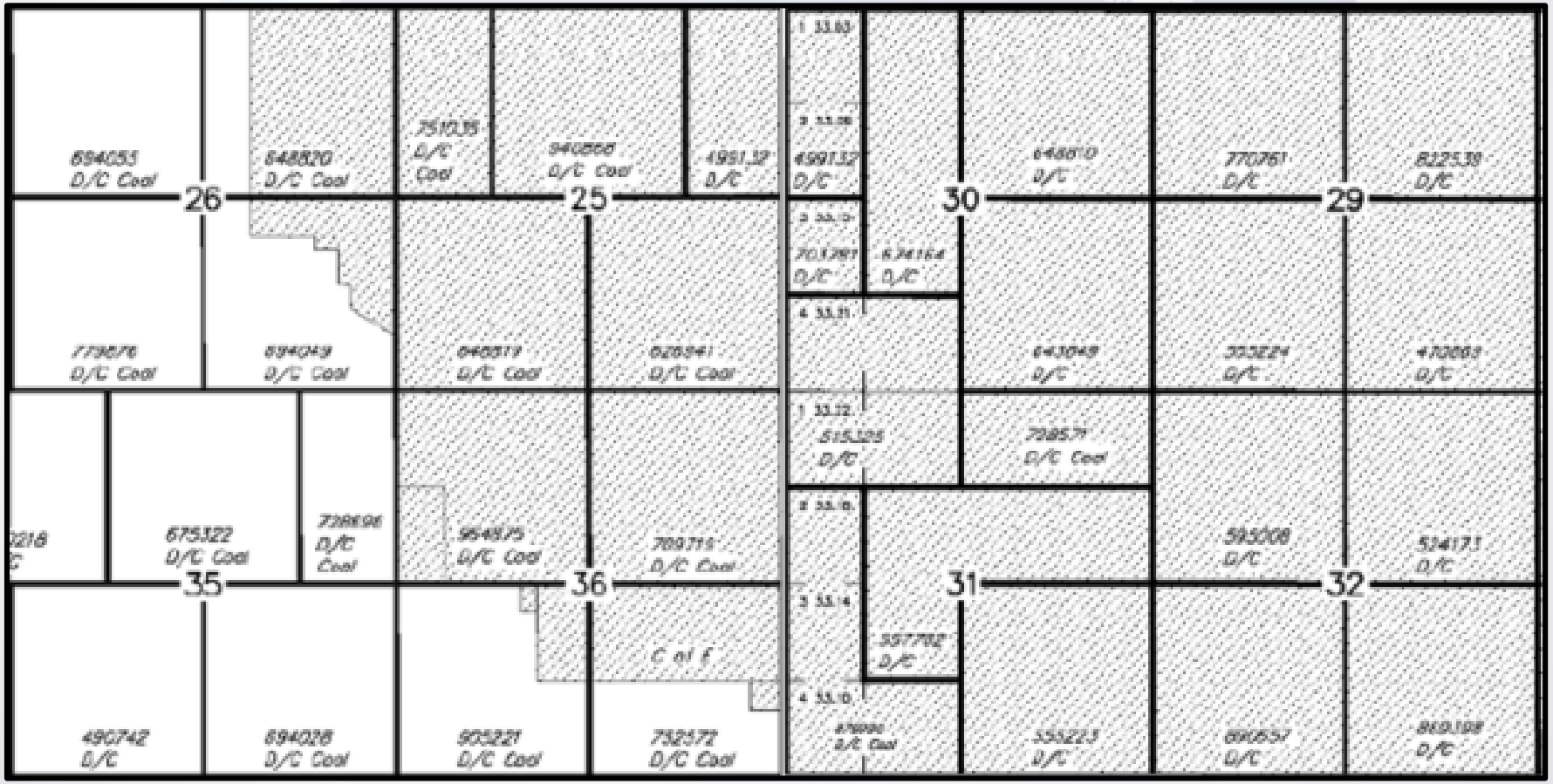
Tract #	Lease Number	Acres	Allocation	Absolute
001	Fee		0.000000	0.000000
002	Fee		0.000000	0.000000
003	Fee		0.000000	0.000000
004	Fee	480.00	0.126812	0.126813
005	Fee		0.000000	0.000000
006	Fee		0.000000	0.000000
Total		**480.00**	**0.126812**	**0.126813**

***State Land (not incl in OLAP)**

Tract #	Lease Number	Acres	Allocation	Absolute
001	State		0.000000	0.000000
002	State		0.000000	0.000000
003	State		0.000000	0.000000
004	State		0.000000	0.000000
005	State		0.000000	0.000000
006	State		0.000000	0.000000
Total		**0.00**	**0.000000**	**0.000000**
	Grand Total	**3785.12**	**1.000000**	**1.000000**

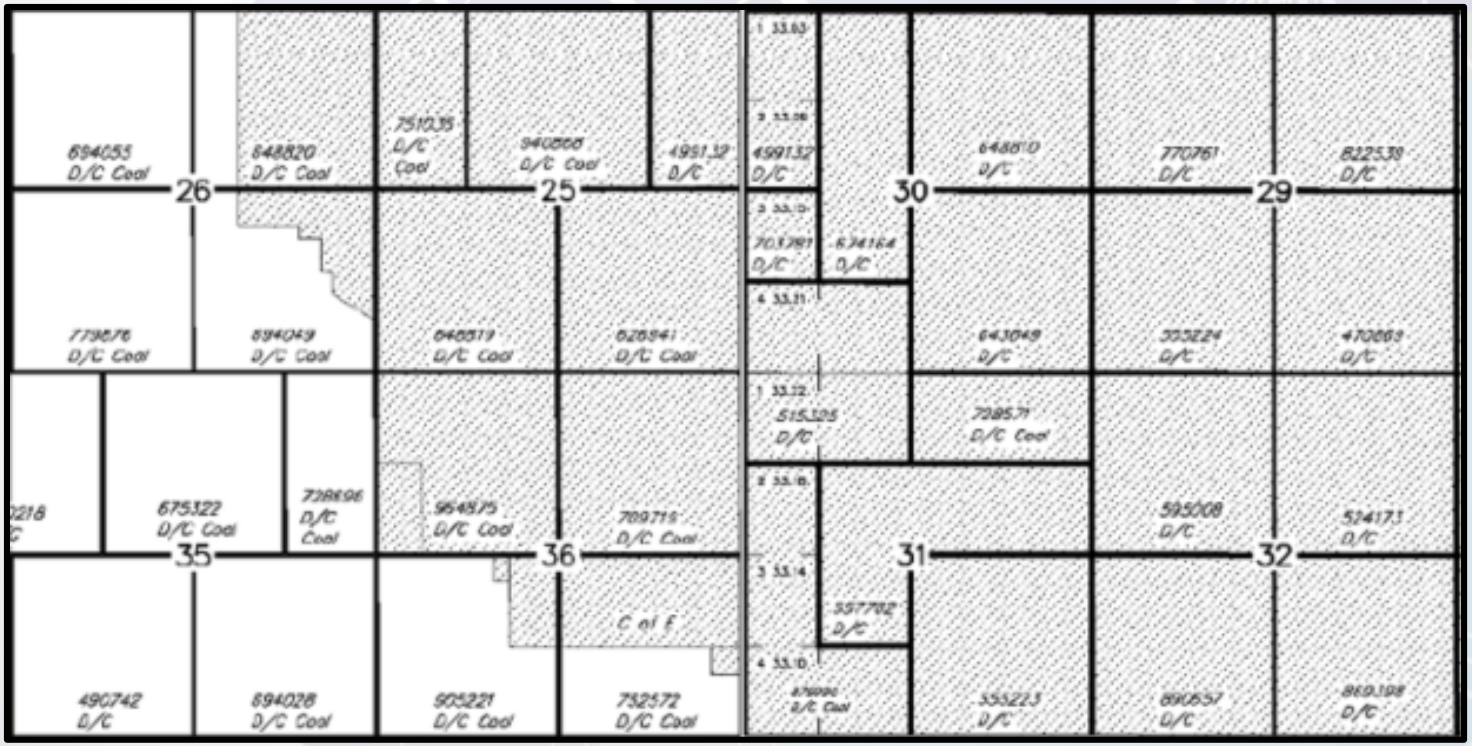
Mapping NDM110534

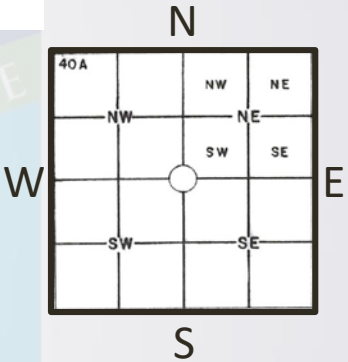




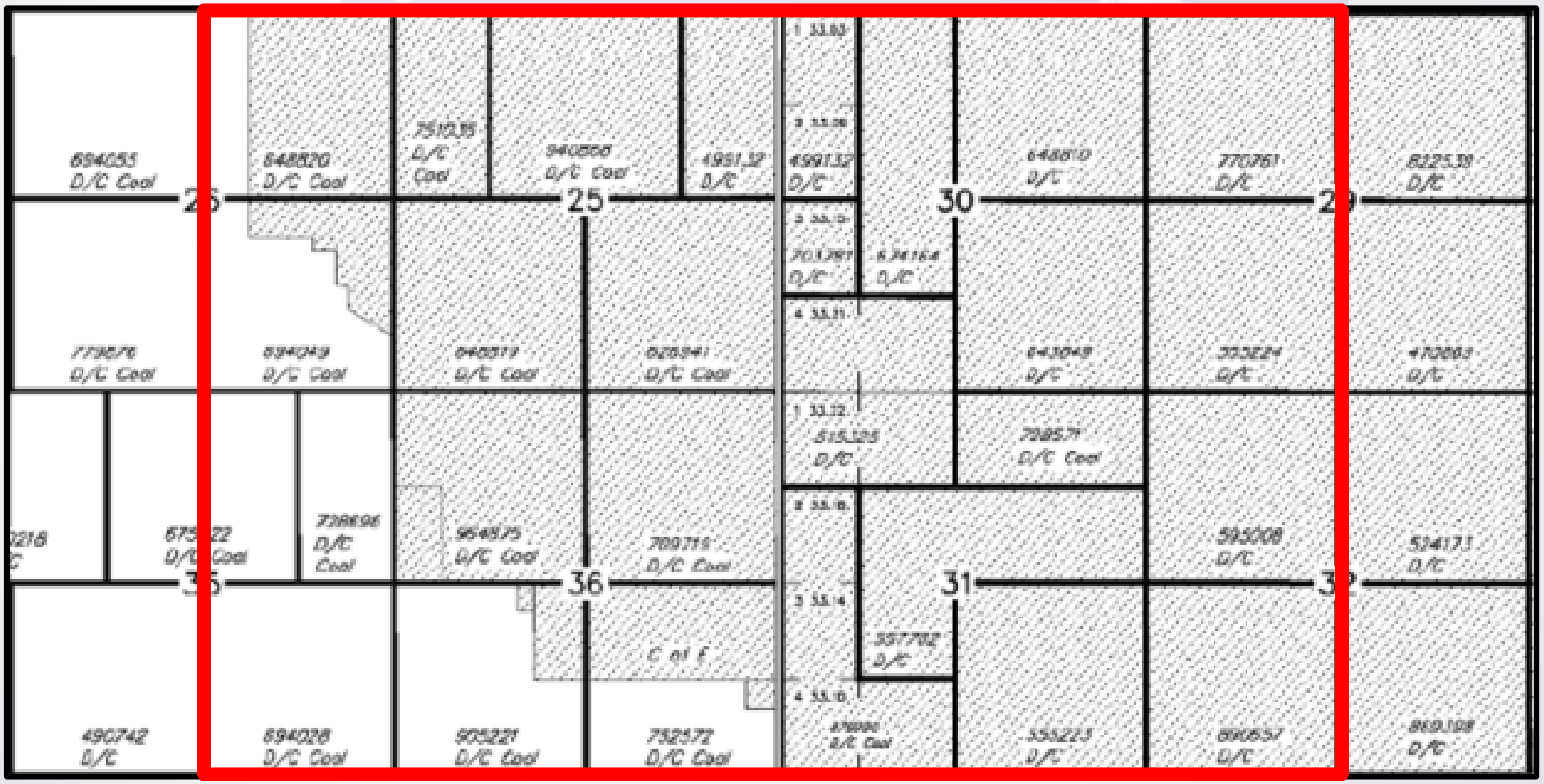
Serial Number: NDM--- - 110534

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
05	1510N	0910W	029	ALIQ			W2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	030	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	031	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	032	ALIQ			W2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	025	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD
05	1510N	0920W	035	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD
05	1510N	0920W	036	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	036	ALL			ENTIRE SECTION	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD





Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012
Lease NDM99116	8/1/2009
Non-Federal	N/A

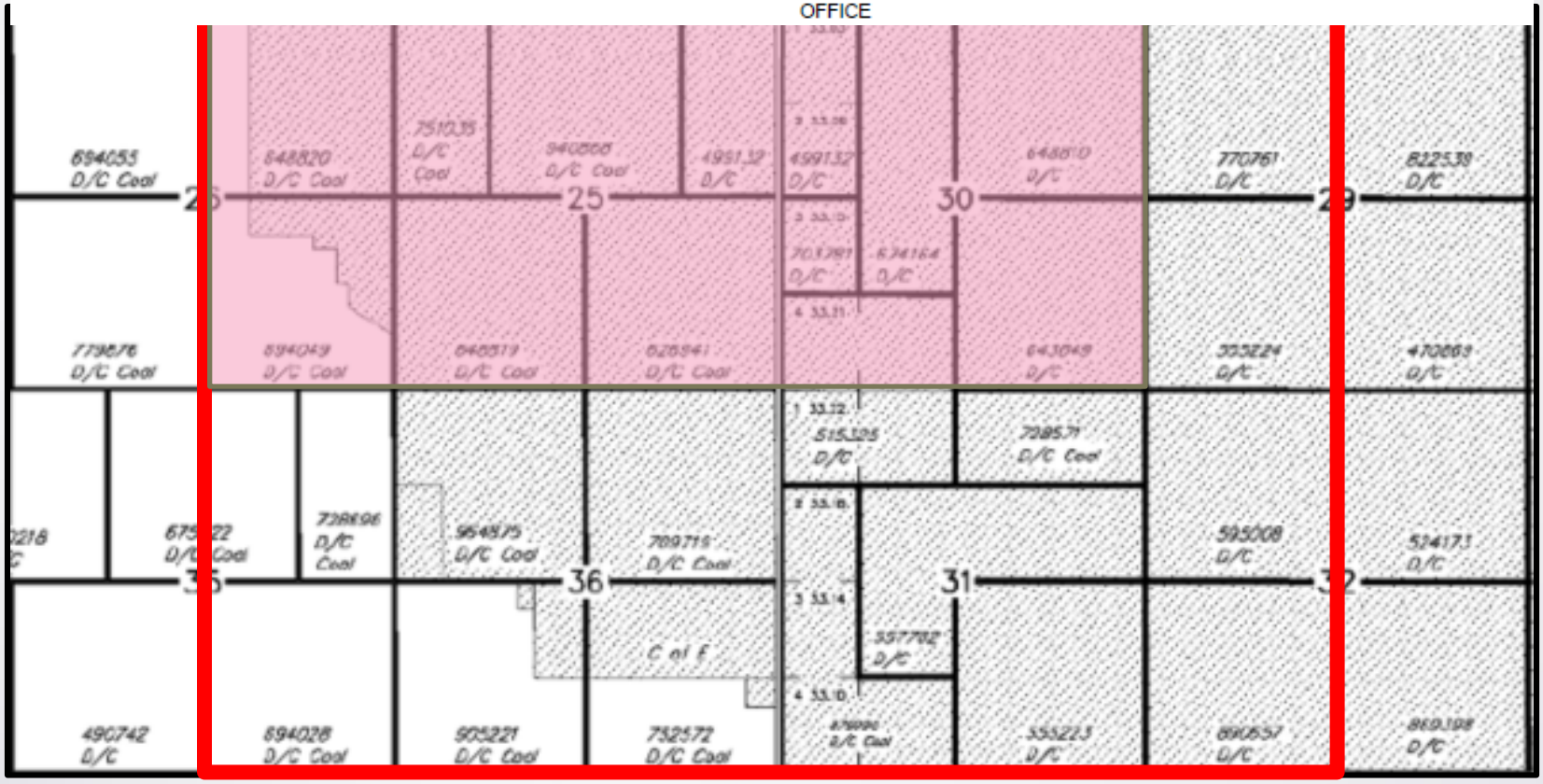


Tract 1 CA NDM102094

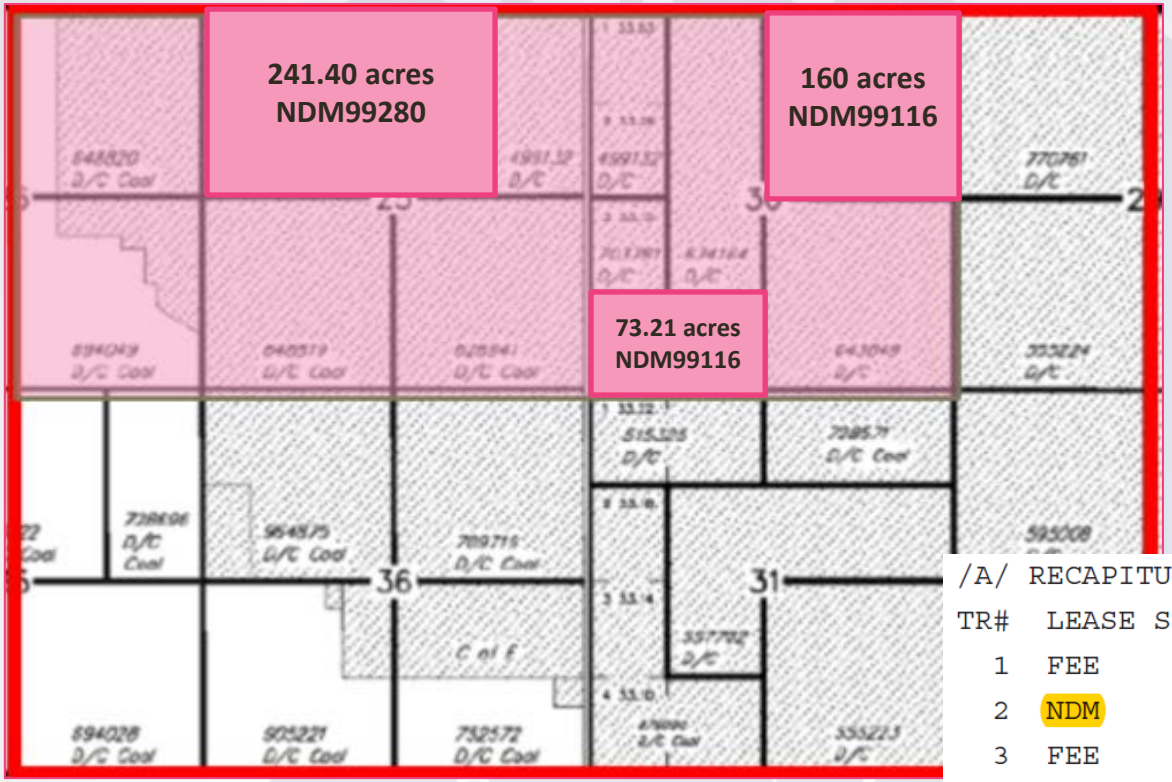
Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010

Serial Number: NDM--- 102094

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
05	1510N	0910W	030	ALIQ			E2W2,E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	030	LOTS			1,2,3,4;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	025	ALIQ			ALL;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	026	ALIQ			E2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD



Tract 1 CA NDM102094 – effective 9/1/2010



OVERLAP INFO		
Agreement No.	Acres	Lease #
NDM102094	1572.48	
Fed	241.40	2840992800
Fed	233.21	2840991160
*Fee	937.87	
*State	160.00	
Total	1572.48	

/A/ RECAPITULATION EFFECTIVE 09/01/2010

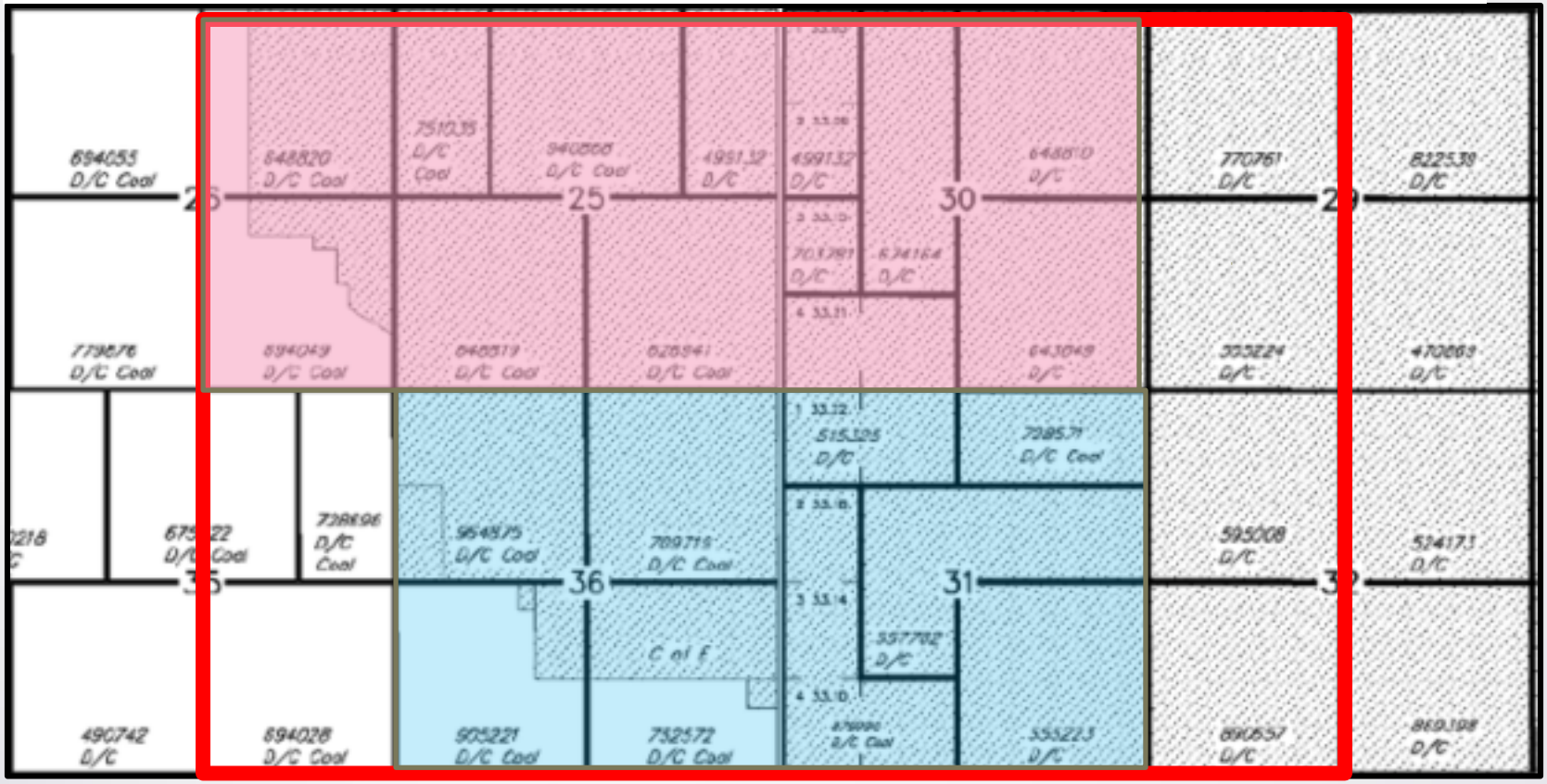
TR#	LEASE	SERIAL NO	AC COMMITTED	% INTEREST
1	FEE		66.12	4.2048
2	NDM	99280	241.40	15.3515
3	FEE		160.00	10.1750
4	FEE		78.60	4.9985
5	FEE		160.00	10.1750
6	STATE		40.00	2.5438
7	STATE		120.00	7.6313
8	FEE		120.00	7.6313
9	FEE		40.00	2.5438
10	FEE		153.15	9.7394
11	FEE		160.00	10.1750
12	NDM	99116	233.21	14.8307
		TOTAL	1572.48	100.0000

Tract 2 CA NDM104433

Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012

Serial Number: NDM--- 104433

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
05	1510N	0910W	031	ALIQ			E2,E2W2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	031	LOTS			1-4;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0920W	036	ALIQ			ALL;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	FORT BERTHOLD
05	1510N	0920W	036	ALIQ			ALL;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS

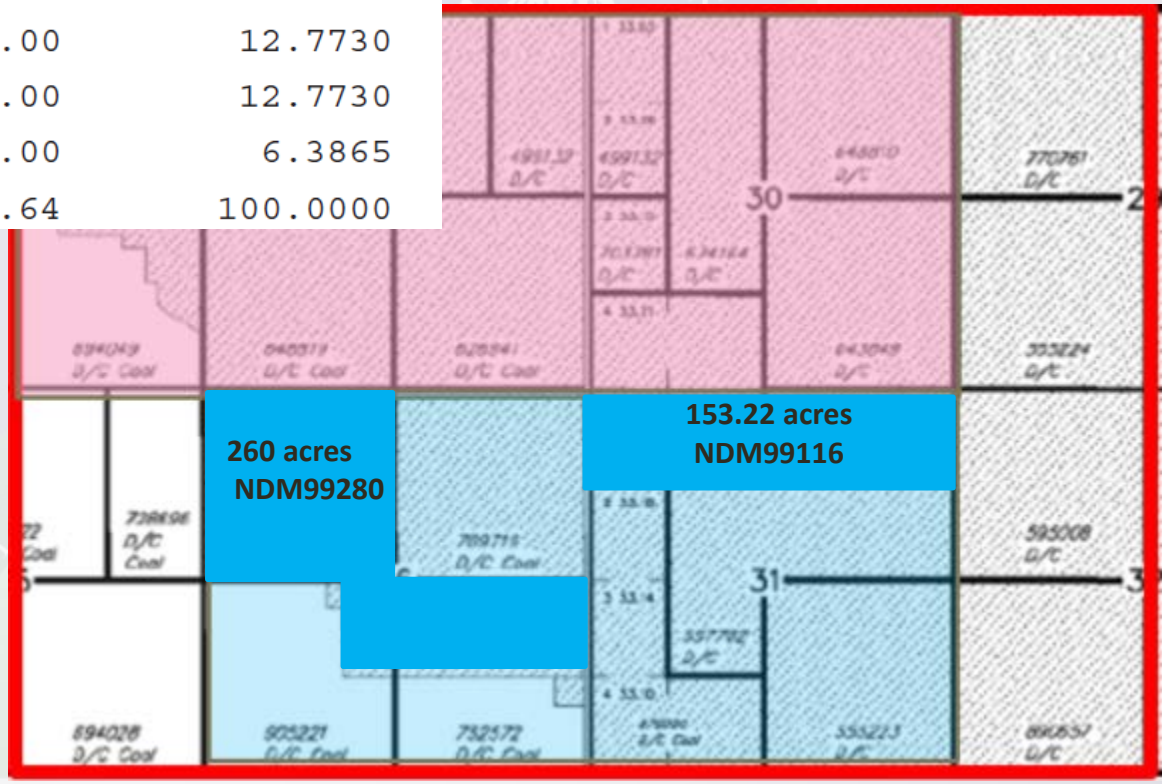


Tract 2 CA NDM104433 – effective 01/09/2012

/A/ RECAPITULATION EFFECTIVE 01/09/2012

TR#	LEASE	SERIAL NO	AC COMMITTED	% INTEREST
1	NDM	99116	153.22	12.2318
2	STATE		73.18	5.8421
3	STATE		146.24	11.6745
4	NDM	99280	260.00	20.7562
5	STATE		140.00	11.1764
6	STATE		80.00	6.3865
7	FEE		160.00	12.7730
8	FEE		160.00	12.7730
9	FEE		80.00	6.3865
		TOTAL	1252.64	100.0000

OVERLAP INFO		
Agreement No.	**Acres**	**Lease #**
NDM104433	**1252.64**	
Fed	153.22	2840991160
Fed	260.00	2840992800
*Fee	400.00	
*State	439.42	
Total	**1252.64**	



Tract 3 Lease NDM99116

Serial Number: NDM--- - 099116

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
05	1510N	0910W	029	ALIQ			ALL;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	030	ALIQ			NE,SESW;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	030	LOTS			4;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	031	ALIQ			N2NE,NENW;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	031	LOTS			1;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	032	ALIQ			N2,SE;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS
05	1510N	0910W	033	ALIQ			NE,S2;	NORTH DAKOTA FIELD OFFICE	MOUNTRAIL	CORPS OF ENGINEERS

TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
1	NDM 102094	1572.48	41.5437
2	NDM 104433	1252.64	33.0939
3	NDM 99116	480.00	12.6812
4	NON-FEDERAL	480.00	12.6812

Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012
Lease NDM99116	8/1/2009

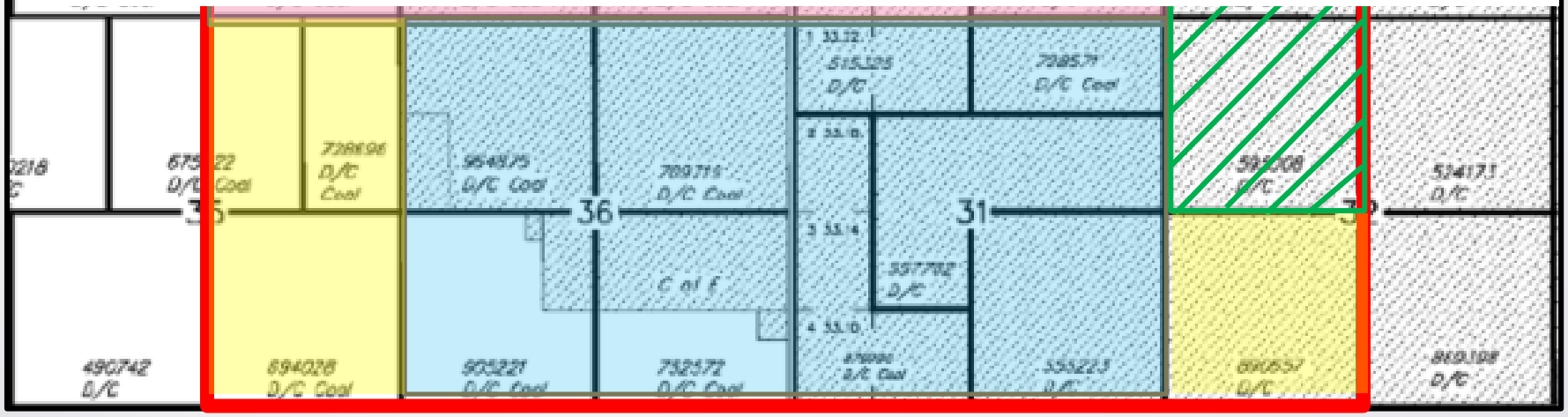
Tract 4 Non-Federal

Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012
Lease NDM99116	8/1/2009
Non-Federal	N/A

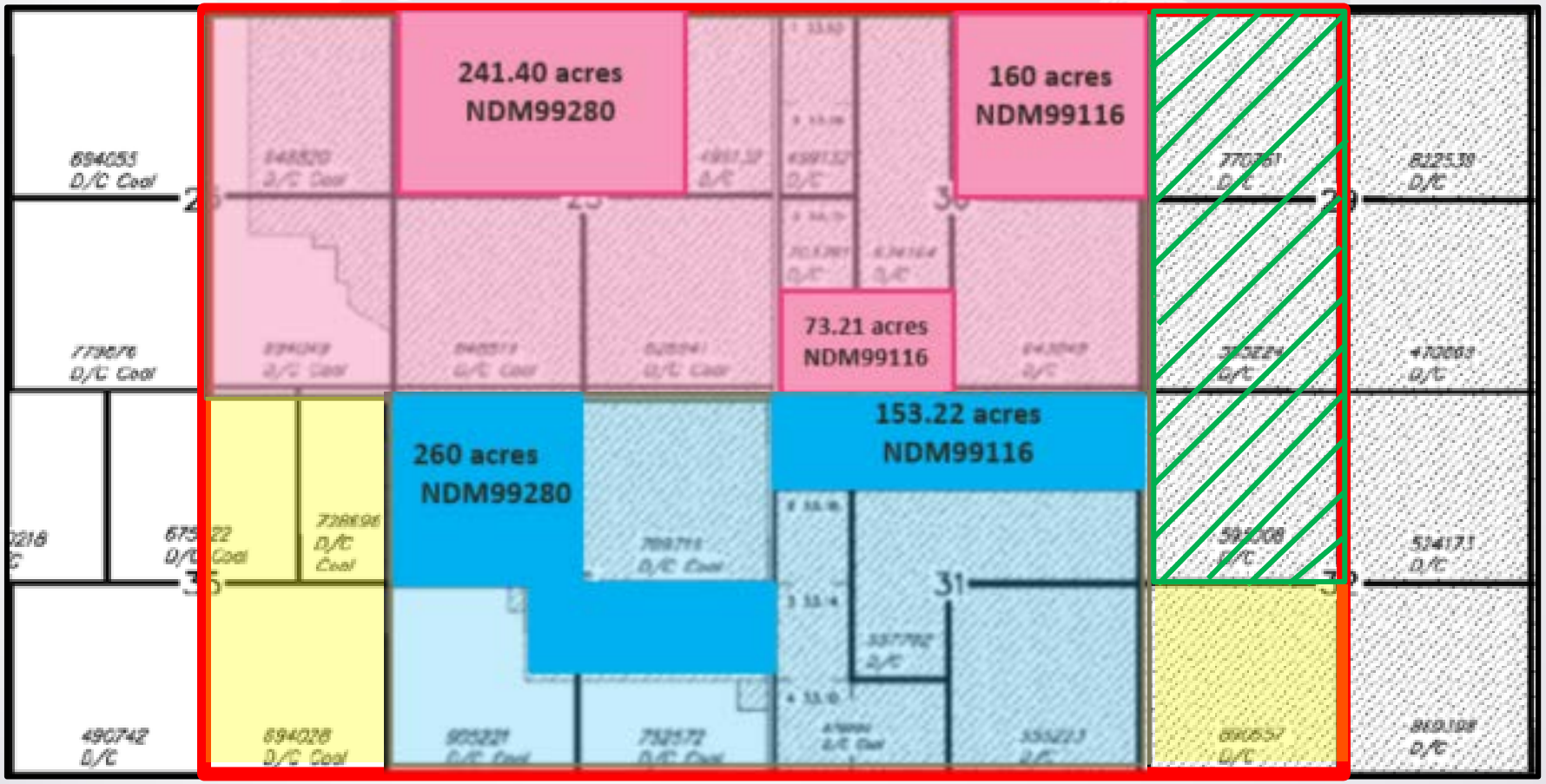
Remark Text **Serial Number: NDM--- - 110534**

/A/ RECAPITULATION EFFECTIVE 06/01/2017

TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
1	NDM 102094	1572.48	41.5437
2	NDM 104433	1252.64	33.0939
3	NDM 99116	480.00	12.6812
4	NON-FEDERAL	480.00	12.6812



Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012
Lease NDM99116	8/1/2009
Non-Federal	N/A



Land Classification for CA NDM110534 (W/OLAP)

Federal Land Classification					
Tract #	OLAP	Lease Number	Acres	Allocation	Absolute
001	X	2840992800	241.40	0.063776	0.063776
001	X	2840991160	233.21	0.061612	0.061612
002	X	2840991160	153.22	0.040480	0.040480
002	X	2840992800	260.00	0.068690	0.068690
003		2840991160	480.00	0.126812	0.126812
		Federal Land	**1367.83**	**0.361370**	**0.361370**

OVERLAP INFO		
Agreement No.	Acres	Lease #
NDM102094	**1572.48**	
Fed	241.40	2840992800
Fed	233.21	2840991160
*Fee	937.87	
*State	160.00	
Total	**1572.48**	

Fee/State [combined] Land Classification					
Tract #	OLAP	Lease Number	Acres	Allocation	Absolute
001	X	Fee/State	1097.87	0.290049	0.290049
002	X	Fee/State	839.42	0.221768	0.221768
003		Fee/State	0.00	0.000000	0.000000
004	X	Fee/State	480.00	0.126812	*0.126813*
005		Fee/State	0.00	0.000000	0.000000
Total			**2417.29**	**0.638630**	**0.638630**
		Grand Total	**3785.12**	**1.000000**	**1.000000**

OVERLAP INFO		
Agreement No.	Acres	Lease #
NDM104433	**1252.64**	
Fed	153.22	2840991160
Fed	260.00	2840992800
*Fee	400.00	
*State	439.42	
Total	**1252.64**	

Example for how to report royalties on production from NDM110534

CA - NDM110534

		Production Volumes	
Allocation Schedule	**%**	**17855.00**	*Well #1 (example only)*
OLAP NDM102094	0.415437	7417.63	*Move to page NDM102094*
OLAP NDM104433	0.330938	5908.90	*Move to page NDM104433*
Lease 2840991160	0.126812	2264.23	*2014 Reporting*
Non-Fed	0.126813	2264.24	*No 2014 Reporting*
TOTAL	**1.000000**	**17855.00**	

The production from this CA is split with an overlapped agreement. 2014 reporting should be done based on the overlapped agreements allocations.

This example follows the reporting of royalties from a single well. Royalties on production from additional wells in CA NDM110534 would be reported in the same manner.

Note: OGOR stays with this CA.

1st CA NDM102094 in Overlap

Example for how to report royalties on production from NDM110534			
CA - NDM110534			
		Production Volumes	
Allocation Schedule	**%**	**17855.00**	*Well #1 (example only)*
OLAP NDM102094	0.415437	7417.63	*Move to page NDM102094*
OLAP NDM104433	0.330938	5908.90	*Move to page NDM104433*
Lease 2840991160	0.126812	2264.23	*2014 Reporting*
Non-Fed	0.126813	2264.24	*No 2014 Reporting*
TOTAL	**1.000000**	**17855.00**	

CA - NDM102094			
		Production Volumes	
Allocation Schedule	**%**	**7417.63**	from well #1
Lease 2840992800	0.153515	1138.72	*2014 Reporting*
Lease 2840991160	0.148308	1100.10	*2014 Reporting*
Fee	0.596427	4424.07	*No 2014 Reporting*
State	0.101750	754.74	*No 2014 Reporting*
TOTAL	**1.000000**	**7417.63**	

2014 reporting should be done based on the overlapped agreements allocations.

Note: OGOR stays with CA NDM110534

2nd CA NDM104433 within Overlap

Example for how to report royalties on production from NDM110534			
CA - NDM110534			
		Production Volumes	
Allocation Schedule	**%**	**17855.00**	*Well #1 (example only)*
OLAP NDM102094	0.415437	7417.63	*Move to page NDM102094*
OLAP NDM104433	0.330938	5908.90	*Move to page NDM104433*
Lease 2840991160	0.126812	2264.23	*2014 Reporting*
Non-Fed	0.126813	2264.24	*No 2014 Reporting*
TOTAL	**1.000000**	**17855.00**	

CA - NDM104433			
		Production Volumes	
Allocation Schedule	**%**	**5908.90**	from well #1
Lease 2840991160	0.122318	722.76	*2014 Reporting*
Lease 2840992800	0.207562	1226.46	*2014 Reporting*
Fee	0.319325	1886.86	*No 2014 Reporting*
State	0.350795	2072.82	*No 2014 Reporting*
TOTAL	**1.000000**	**5908.90**	
2014 reporting should be done based on the overlapped agreements allocations.			
Note: OGOR stays with CA NDM110534			

		Production Volumes for **Well #1**	
CA - NDM110534		**17855**	***OGOR***
Below is how the 2014 reporting would actually take place after the volumes kept moving for reporting purposes due to the overlaps.			
CA - NDM110534	Lease 2840991160	2264.23	*2014 Reporting*
	Non-Fed	2264.24	*No 2014 Reporting*
		4528.47	
CA - NDM102094	Lease 2840992800	1138.72	*2014 Reporting*
	Lease 2840991160	1100.10	*2014 Reporting*
	Fee	4424.07	*No 2014 Reporting*
	State	754.74	*No 2014 Reporting*
		7417.63	
CA - NDM104433	Lease 2840991160	722.76	*2014 Reporting*
	Lease 2840992800	1226.46	*2014 Reporting*
	Fee	1886.86	*No 2014 Reporting*
	State	2072.82	*No 2014 Reporting*
	TOTAL	**5908.90**	
	TOTAL	**17855.00**	

Agreements	Date
CA NDM110534	6/1/2017
CA NDM102094	9/1/2010
CA NDM104433	1/9/2012
Lease NDM99116	8/1/2009
Non-Federal	N/A

How do I report on the ONRR-2014???

But what about my lease??

- In example CA NDM110534 the company holds 100% interest:

  100% in Lease 2840991160

- There is no lease basis well on this lease.
- In overlapping agreement situations, you must report royalties based on your entitled share.
- Let's complete the ONRR-2014 for royalties on the above lease.

CA - NDM110534			
		Production Volumes	
Allocation Schedule	**%**	**17855.00**	*Well #1 (example only)*
OLAP NDM102094	0.415437	7417.63	*Move to tab NDM102094*
OLAP NDM104433	0.330938	5908.90	*Move to tab NDM104433*
Lease 2840991160	0.126812	2264.23	*2014 Reporting*
Non-Fed	0.126813	2264.24	*No 2014 Reporting*
TOTAL	**1.000000**	**17855.00**	

Lease #	Source CA	Total sales Volume Reported On	CA # Reported on 2014	Bbls Sold/Allocated to CA reported on 2014		Allocation %	Bbls Allocated to Tract		Working Interest %	Working Interest BBls (2014 Sales Volume)		Price		Sales Value		Royalty Rate		Royalty Value Prior to Allowances
2840991160	M110534	**17855**	M110534	**17855**	X	**.126212**	**2264.23**	X	100%	**2264.23**	X	$50.00	=	**$113,211.41**	X	0.125	=	**$14,151.43**

Total Sales Volume x allocation % x MNOP x working interest % = Sales Volume

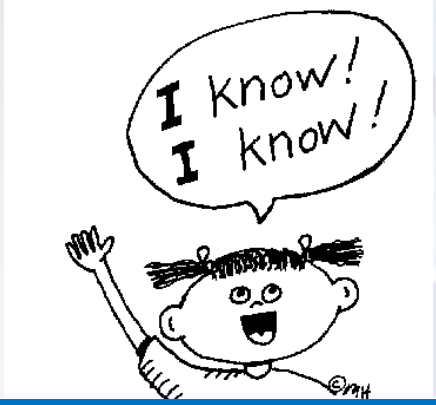
Sales Volume x price x royalty rate – allowances = Royalty Value

2014 Reporting

Lease #	Source CA	Total sales Volume Reported On	CA # Reported on 2014	Bbls Sold/Allocated to CA reported on 2014		Allocation %	Bbls Allocated to Tract		Working Interest %	Working Interest BBls (2014 Sales Volume)		Price		Sales Value		Royalty Rate		Royalty Value Prior to Allowances
2840991160	M110534	17855	M110534	17855	X	0.126812	2264.23	X	100%	2264.23	X	$50.00	=	$113,211.41	X	0.125	=	$14,151.43

Select Line		Line #	Preparer Use Only	ONRR Lease Number* Search	ONRR Agree Number Search	API Well Number	Product Code*	Sales Type	Sales Date (MMYYYY)*		Transaction Code*	Adjustment Reason Code
☐	>	1		2840991160	M 110534		01-Oil	ARMS	09	2017	01	

Sales Volume	Gas MMBtu	Sales Value	Royalty Value Before Allowances	Transportation Allowance	Processing Allowance	Royalty Value after Allowance*	Payment Method*
2264.23	0.00	113211.41	14151.43	0.00	0.00	14151.43	03



Line Number	1	2	3	4	5
API Well Number					
ONRR Lease Number	2840991160	2840992800	2840991160	2840991160	2840992800
ONRR Agreement Number	M 110534	M 102094	M 102094	M 104433	M 104433
Product Code	01	01	01	01	01
Sales Type Code	ARMS	ARMS	ARMS	ARMS	ARMS
Sales MO/YR	092017	092017	092017	092017	092017
Transaction Code	01	01	01	01	01
Adjustment Reason Code					
Sales Volume	2264.23	1138.72	1100.10	722.76	1226.46
Gas MMBtu					
Sales Value	113211.41	56935.87	55004.69	36138.24	61.323.16
Royalty Value Prior to Allowances	14151.43	7116.98	6875.59	4517.25	7665.39
Transporation Allowance Deduction					
Processing Allowance Deduction					
Royalty Value Less Allowance	14151.43	7116.98	6875.59	4517.28	7665.39
Payment Method Code	3	3	3	3	3

Where do we get this information?

- Operator
- Land Department
- Oil and Gas Commissions
- LR2000 – SRP
- BLM
- ONRR

The Future of Overlaps

Issued July 3, 2018

BLM and BIA have implemented a new policy changing how CA overlaps are done (*BLM Permanent Instruction Memorandum No. 2018-012*). This policy was issued July 3, 2018 and applies to any CA that has an ***effective date*** after the IM's issue date. This only applies to CA's that overlap an existing CA. This Instruction Memorandum can be found on BLM's website.

- BLM/BIA will approve a new CA when the CA overlaps an existing CA(s) **ONLY** when the new CA will allocate production and associated royalties from the new CA directly to the leases within the boundary of the new CA.

- BLM/BIA will continue to follow the existing policy when processing a new CA that would partially overlap an existing PA for the same formation within an approved Federal or Indian exploratory oil and gas unit.

What does this mean?

When approving a new CA that overlaps an existing CA, BLM/BIA will no longer allocate production and associated royalties from the new CA to the existing underlying CA(s) that the new CA overlap's.

Each new CA will be a **"Stand-Alone"** agreement and will not change the allocation of production or associated royalties for the underlying CA.

There will be no reference to an Overlap in the letter or on the SRP. Royalty reporting is based on the lease to agreement allocation for all production. 2014's will be submitted with both the lease and agreement numbers.

North Dakota IM

North Dakota issued a Supplement IM to the new BLM/BIA policy on July 27, 2018; *PIM 2018-004*.

This IM applies to any CA ***approved after*** July 27, 2018. This Instruction Memorandum can be found on BLM's website.

- North Dakota will continue to allocate to overlapped Base CA's that are within the boundary of the new CA.
- When a new CA overlaps an existing overlapping CA the agencies will **NO LONGER** further allocate out to existing overlapping CA's that are not within the boundary of any Base CA.

This will be covered in-depth during the Advanced class.

What % of Production will be reported on OGOR's for CA NDM110543?

A. 24.82%
B. 3.13%
C. 100%

Which CA Effective Date will fall under BLM/BIA's new IM Policy regarding CA Overlaps?

A. July 9, 2018
B. August 12, 2016
C. June 1, 2018

Which CA Approval Date will fall under North Dakota's new IM Policy regarding CA Overlaps?

A. June 14, 2019
B. August 1, 2016
C. July 5, 2018

Questions

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