

## Bureau of Land Management, Interior

## § 3137.150

### § 3137.112 What happens if I am prevented from performing actual or constructive drilling or reworking operations?

(a) If you demonstrate to BLM that reasons beyond your control prevent you, despite reasonable diligence, from starting actual or constructive drilling, reworking, or completing operations, BLM will extend all committed NPR-A leases as if you were performing constructive or actual drilling or reworking operations. You are limited to two extensions under this section.

(b) You must resume actual or constructive drilling or reworking operations when conditions permit. If you do not resume operations—

(1) BLM will cancel the extension; and

(2) The unit terminates (see § 3137.131 of this subpart).

#### CHANGE IN OWNERSHIP

### § 3137.120 As a transferee of an interest in a unitized NPR-A lease, am I subject to the terms and conditions of the unit agreement?

As a transferee of an interest in an NPR-A lease that is included in a unit agreement, you are subject to the terms and conditions of the unit agreement.

#### UNIT TERMINATION

### § 3137.130 Under what circumstances will BLM approve a voluntary termination of the unit?

BLM will approve the voluntary termination of the unit at any time—

(a) Before the unit operator discovers production sufficient to establish a participating area; and

(b) The unit operator submits to BLM certification that at least 75 percent of the operating rights owners in the unit agreement, on a surface acreage basis, agree to the termination.

### § 3137.131 What happens if the unit terminated before the unit operator met the initial development obligations?

If the unit terminated before the unit operator met the initial development obligations, BLM's approval of the unit agreement is revoked. You, as lessee, forfeit all further benefits, including

extensions and suspensions, granted any NPR-A lease as a result of having been committed to the unit. Any lease that BLM extended as a result of being committed to the unit would expire unless it qualified for an extension under § 3135.1-5 of this part.

### § 3137.132 What if I do not meet a continuing development obligation before I establish any participating area in the unit?

If you do not meet a continuing development obligation before you establish any participating area, the unit terminates automatically. Termination is effective the day after you did not meet a continuing development obligation.

### § 3137.133 After participating areas are established, when does the unit terminate?

After participating areas are established, the unit terminates when the last participating area of the unit terminates (see § 3137.92 of this subpart).

### § 3137.134 What happens to committed leases if the unit terminates?

(a) If the unit terminates, all committed NPR-A leases return to individual lease status and are subject to their original provisions.

(b) An NPR-A lease that has completed its primary term on or before the date the unit terminates expires unless it qualifies for extension under § 3135.1-5 of this part.

### § 3137.135 What are the unit operator's obligations after unit termination?

Within three months after unit termination, the unit operator must submit to BLM for approval a plan and schedule for mitigating the impacts resulting from unit operations. The plan must describe in detail planned plugging and abandonment and surface restoration operations. The unit operator must then comply with the BLM-approved plan and schedule.

#### APPEALS

### § 3137.150 How do I appeal a decision that BLM issues under this subpart?

(a) You may file for a State Director Review (SDR) of a decision BLM issues

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under this subpart. Part 3160, subpart 3165 of this title contains regulations on SDR; or

(b) If you are adversely affected by a BLM decision under this subpart you may directly appeal the decision under parts 4 and 1840 of this title.

### **Subpart 3138—Subsurface Storage Agreements in the National Petroleum Reserve-Alaska (NPR-A)**

SOURCE: 67 FR 17893, Apr. 11, 2002, unless otherwise noted.

#### **§ 3138.10 When will BLM enter into a subsurface storage agreement in NPR-A covering federally-owned lands?**

BLM will enter into a subsurface storage agreement in NPR-A covering federally-owned lands to allow you to use either leased or unleased federally-owned lands for the subsurface storage of oil and gas, whether or not the oil or gas you intend to store is produced from federally-owned lands, if you demonstrate that storage is necessary to—

- (a) Avoid waste; or
- (b) Promote conservation of natural resources.

#### **§ 3138.11 How do I apply for a subsurface storage agreement?**

(a) You must submit an application to BLM for a subsurface storage agreement that includes—

- (1) The reason for forming a subsurface storage agreement;
- (2) A description of the area you plan to include in the subsurface storage agreement;
- (3) A description of the formation you plan to use for storage;
- (4) The proposed storage fees or rentals. The fees or rentals must be based on the value of the subsurface storage, injection, and withdrawal volumes, and rental income or other income generated by the operator for letting or subletting the storage facilities;
- (5) The payment of royalty for native oil or gas (oil or gas that exists in the formation before injection and that is produced when the stored oil or gas is withdrawn);

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(6) A description of how often and under what circumstances you and BLM intend to renegotiate fees and payments;

(7) The proposed effective date and term of the subsurface storage agreement;

(8) Certification that all owners of mineral rights (leased or unleased) and lease interests have consented to the gas storage agreement in writing;

(9) An ownership schedule showing lease or land status;

(10) A schedule showing the participation factor for all parties to the subsurface storage agreement; and

(11) Supporting data (geologic maps showing the storage formation, reservoir data, etc.) demonstrating the capability of the reservoir for storage.

(b) BLM will negotiate the terms of a subsurface storage agreement with you, including bonding, and reservoir management.

(c) BLM may request documentation in addition to that which you provide under paragraph (a) of this section.

#### **§ 3138.12 What must I pay for storage?**

You must pay any combination of storage fees, rentals, or royalties to which you and BLM agree. The royalty you pay on production of native oil and gas from leased lands will be the royalty required by the underlying lease(s).

### **PART 3140—LEASING IN SPECIAL TAR SAND AREAS**

#### **Subpart 3140—Conversion of Existing Oil and Gas Leases and Valid Claims Based on Mineral Locations**

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