

§ 3138.10

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oil or gas (oil or gas that exists in the formation before injection and that is produced when the stored oil or gas is withdrawn);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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