

ADMINISTRATIVE WATCH

ADDRESSING ENVIRONMENTAL, ENERGY AND NATURAL RESOURCE ISSUES



Babst Calland
Attorneys at Law

babstcalland.com

Pittsburgh, PA

Two Gateway Center
603 Stanwix Street
Sixth Floor
Pittsburgh PA 15222
412-394-5400
FAX 412-394-6576

State College, PA

Suite 302
330 Innovation Blvd.
State College, PA 16803
814-867-8055
FAX 814-867-8051

Charleston, WV

Suite 590
United Center
500 Virginia Street East
Charleston, WV 25301
681-205-8888
FAX 681-205-8814

Akron, OH

Suite 1010
One Cascade Plaza
Akron, OH 44308
234-352-1650
FAX 234-352-1640

Sewell, NJ

380-A Tylers Mill Road
Sewell, NJ 08080
856-256-2495
FAX 412-586-1082

Ohio Department of Natural Resources Publishes Guidance on Unitization Applications

The Ohio Department of Natural Resources, Division of Oil & Gas Resources Management, recently published new guidelines for applications for a unitization order under Revised Code Section 1509.28. That Section provides the method preferred by the industry for creating units for horizontal drilling where parcels within the proposed unit are unleased. The guidelines are intended to formalize the unitization application process and provide consistency and efficiency in the review process. The guidelines provide notice to applicants that applications lacking information listed in the guidelines will be considered to be incomplete, and will not be processed by the division.

Fifteen unitization application requirements are listed, and can be found at <http://oilandgas.ohiodnr.gov/industry/unitization>. Several requirements of particular importance are:

- Applicants must provide an affidavit setting forth a detailed account of the attempts to lease the unleased properties that includes the date of each attempt, identification of both the person contacted and the person who made the contact, and identification of how the contact was made;
- Applicants must provide a list of all uncommitted working interest owners in the unit which includes the name, address, parcel numbers and the respective acreage of each owner;
- Applicants must submit a statement of why unitization is necessary, a description of the plan for development of the unit, identification of the formation to be produced, estimated value of the recovery of oil and gas for each proposed well, an estimated cost of drilling and operating a well and a designated contact person for the applicant; and
- Applicants must bring large exhibits or slides of maps, cross-sections, gamma ray-density logs identifying the proposed formations to be produced and reserve calculations to the hearing.

The published guidelines also provide additional information concerning revisions and updates to applications, the hearing procedures, requests for continuances of the hearing and the division chief's action on applications. For more information, please contact David E. Northrop at (412) 394-6590 or dnorthrop@babstcalland.com.

About Babst Calland

Babst Calland represents exploration and production, midstream, construction and other clients supporting the energy industry in all areas of the law encountered by natural gas development, including: environmental; local zoning and land use; title opinions; transactional; labor and employment; and a variety of litigation cases ranging from lease disputes, quiet title actions, toxic tort and construction matters. For more information, visit www.babstcalland.com or contact Joseph K. Reinhart, shareholder and chairman of the firm's Energy and Natural Resources Group at (412) 394-5452 or jreinhart@babstcalland.com. To stay current on related issues and industry developments, please subscribe to our new Shale Energy Law Blog (www.shaleenergylawblog.com).