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**Louisiana Office of Conservation
Regulatory Realities**

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PREFACE

Beyond the forms and regulations, Office of Conservation practice leans on a bit of custom, unwritten rules, and periodic memoranda. Exploration and production in Louisiana consistently presents situations seemingly beyond the rules or between the cracks of standard operations. This presentation and accompanying paper will attempt to show how the rules blend with practice in real time and how the Office of Conservation has evolved to work with operators to address special circumstances and unique situations in getting wells drilled and establishing production. The situations and rules referenced herein are those that have arisen in participation with the regulatory process during my time at the Department of Natural Resources and in my private practice. While I am certain that other practitioners could provide additional examples of exceptions to the rules seen throughout their practice, I hope this paper can provide some framework for both the typical and atypical situation in dealing with the Office of Conservation.

I. PERMITTING A WELL (LAC 43:XIX.103)

A. All applications for permits to drill wells for oil or gas shall be made on Form MD-10-R delivered to the district office.

B. The permit application should be accompanied by a location plat constructed from data compiled by a registered civil engineer or surveyor and shall definitely show the amount and location of the acreage with reference to quarter-section corners, or other established survey points.

C. There shall also be shown all pertinent lease and property lines, leases, offset wells, and the location and distance from the well to the nearest shoulder of any Interstate highway within the boundaries of the plat. (*SEE EXHIBIT A*)

D. Applicants that receive a drilling permit for a well located within 1,000 feet of an Interstate highway shall furnish a copy of the approved drilling permit and the certified location plat to the appropriate state and local authorities, including all emergency responders.

E. When the tract to be drilled is composed of separately-owned interests that have been pooled or unitized, the boundaries to the acreage in each separately-owned interest must be indicated. Plats must have well locations certifications either written on or attached to the well location plats and this certification must be signed by a registered civil engineer, qualified surveyor or a qualified engineer regularly employed by the applicant. If possible the application card shall give the name and address of the drilling contractor, otherwise the information, as soon as determined, shall be supplied by letter to the district manager.

F. PERMITS FOR DUAL COMPLETIONS - When dual completion applications are submitted, the Office of Conservation considers each well as two separate wells. The production from each sand shall be run through separate lead lines and the production

from each sand shall be measurable separately. The department's agent shall designate suitable suffixes to the well number which will serve as reference to each producing sand.

II. IS THERE A UNIT IN PLACE?

A. Can you get a permit to drill in an existing unit if you were not the applicant for that unit?

Two Memoranda from the Commissioner have spoken to this issue:

B. Memorandum of August 11, 2005 (*SEE EXHIBIT B*)

1. A Permit to Drill a unit well, substitute unit well, or alternate unit well shall only be issued to the operator so designated by order or to applicant for hearing which resulted in said order if less than one (1) year has elapsed since the effective date of such Order. If for some reason another operator desires to file a Permit to Drill such well, they must submit written concurrence of the operator so designated/applicant for hearing to such effect to the appropriate District Manager. This policy shall also apply to administratively approved substitute and alternate unit wells.

C. Memorandum of May 15, 1992 (*SEE EXHIBIT C*)

1. No order issued by the Office of Conservation shall designate a unit operator for any unit on which a Permit to Drill has not been granted as of the effective date of the order. With the exception of language contained in LSA-R.S. 30:5 (C) concerning reservoirwide unitization, there is no statutory language that requires the designation of a unit operator. Further, LSA-R.S. 30:9 which authorizes the creation of drilling units contains no language requiring the designation of a unit operator.

2. Further, the Memorandum provided that existing orders containing language designating a unit operator for "undrilled units" would be handled as follows:

a) If no Permit to Drill had been issued to an operator so designated within one (1) year from the effective date of applicable order, a Permit to Drill will be issued to any operator requesting to drill a unit well.

b) If less than one (1) year has elapsed since the effective date of the applicable order, the District Manager will contact the operator so designated in such order and attempt to resolve any possible conflict before sending a Permit to Drill submitted by any other operator to Baton Rouge for final approval.

EXAMPLE

If a unit has been created pursuant to a field order that creates multiple units applied for and created by “Company A” but does not designate an operator, can “Company B” – that has leases on a minority of surface acreage in the unit – propose a unit well, and if not who may propose the well?

Based upon the Memoranda above, the Conservation rules dictate that within one year of the unit order, the initial applicant, “Company A”, is the only operator to whom a well permit may be issued. However, if “Company B” has a letter from “Company A” consenting to said permit or can demonstrate testimony at the unit hearing authorizing “Company B” to operate the unit well, then “Company B” can receive the well permit.

Beyond the first year, it is open season. The first company to file a well permit will become the operator, assuming that company qualifies as an operator under all of the applicable regulations.

III. WHAT HAPPENS IF I NEED TO PRODUCE MY WELL PENDING THE CREATION OF A UNIT?

A. The Office of Conservation provides for an “Emergency Test Clearance” and/or “90-Day Test Allowable Request” to request and obtain a 90 day test allowable for a well while unit proceedings are pending.

B. The procedure:

1. Operators must submit a written request to the appropriate District Office in order to test and/or produce a well for which a unit is required or for which a unit has been applied.

2. The request can be for an Emergency Test Clearance and/or a 90-Day Conditional Test Allowable. Please note that the “Form Completion/Recompletion Report” must be submitted before an allowable will be approved for the well.

3. The district office will not grant an extension of the allowable unless the operator has applied for a unit.

C. Filing Requirements

1. The current policy of the Office of Conservation is to no longer require escrow agreements in such situations, but instead to require a statement from the operator that all royalties would be disbursed on a unitwide basis going back to the date of first production upon issuance of the unit order.

2. Current requirement – “The Money Statement”
 - a) A statement to the effect that all monies generated from the first date of production shall be disbursed based upon the unit to be created.
3. DATES – For Emergency Test Clearance requests, include the date(s) of test production along with the total amount of liquids and gas to be produced. To be prepared on the Emergency Test Clearance Form (*SEE EXHIBIT D*). For 90-Day Conditional Test Allowable request, include the proposed first date of production.
4. PURCHASER/TRANSPORTER – The gas purchaser and/or oil transporter should be identified.
5. UNITIZATION STATUS – The status of unitization application must be provided.

IV. FINANCIAL SECURITY (LAC 43:XIX.104)

- A. Unless otherwise provided by rules, financial security shall be required by the operator of record for each applicable well in order to ensure that such well is plugged and abandoned and associated site restoration is accomplished.
- B. To Accompany the Application for Permit to Drill
 1. The applicant for a permit to drill must provide financial security in accordance with the following guidelines.
 2. An operator who has exhibited a record of compliance with the statutes, rules, and regulations of the Office of Conservation for a period of 48 months immediately preceding the permit date of the well and who has no outstanding violations shall be exempt from providing financial security.
 3. An operator who has not been a registered operator of record for a period of 48 months immediately preceding the permit date of the well in question shall comply with the following.
 4. An operator who has not previously been an operator of a well (drilling, drilled or completed) shall provide financial security in a form acceptable to the commissioner prior to issuance of a permit to drill.
 5. An operator who has previously been an operator of a well (drilling, drilled or completed) for less than the prescribed 48 months but has otherwise exhibited a record of compliance with the statutes, rules and regulations of the Office of Conservation and who has no outstanding violations shall provide

financial security in a form acceptable to the commissioner within 30 days of completion date as reported on Form Comp or Form WH-1.

6. An operator who has not exhibited a record of compliance with the statutes, rules, and regulations of the Office of Conservation for a period of 48 months immediately preceding the permit date of the well shall provide financial security in a form acceptable to the commissioner prior to issuance of permit to drill.

C. Amended Permit to Drill/Change of Operator

1. Any application to amend a permit to drill for change of operator must be accompanied by financial security.

2. An operator who has previously been an operator of a well for a period of at least 48 months immediately preceding the amended permit to drill date, who has exhibited a record of compliance with the statutes, rules and regulations of the Office of Conservation and who has no outstanding violations shall be exempt from providing financial security under this Section.

3. Any operator who does not meet the criteria above shall provide financial security in a form acceptable to the commissioner prior to issuance of an amended permit to drill.

4. Financial security in a form acceptable to the commissioner shall be provided prior to issuance of a permit to drill or amended permit to drill to any operator which includes a primary officer therein who is or was a primary officer of an operator assigned an orphan status.

D. Compliance with this financial security requirement shall be provided by any of the following or a combination thereof:

1. **CERTIFICATE OF DEPOSIT** issued in sole favor of the Office of Conservation in a form prescribed by the commissioner from a financial institution acceptable to the commissioner.

2. **PERFORMANCE BOND** in sole favor of the Office of Conservation in a form prescribed by the commissioner issued by an appropriate institution authorized to do business in the state of Louisiana; or

3. **LETTER OF CREDIT** in sole favor of the Office of Conservation in a form prescribed by the commissioner issued by a financial institution acceptable to the commissioner.

E. Financial Security Amount – Location, Depth, and Number of Wells

1. Land Location

a) Individual well financial security shall be provided in accordance with the following:

Measured Depth	Amount
< 3000'	\$1 per foot
3001-10000'	\$2 per foot
≥ 10001'	\$3 per foot

b) Blanket financial security shall be provided in accordance with the following.

Total Number of Wells Per Operator	Amount
≤ 10	\$ 25,000
11-99	\$125,000
≥ 100	\$250,000

2. *Water Location—Inland Lakes and Bays*—any water location in the coastal zone area as defined in R.S. 49:214.27 except in a field designated as offshore by the commissioner.

a) Individual well financial security shall be provided in the amount of \$8 per foot of well depth.

b) Blanket financial security shall be provided in accordance with the following.

Total Number of Wells Per Operator	Amount
≤ 10	\$ 125,000
11-99	\$ 625,000
≥ 100	\$1,250,000

3. *Water Location—Offshore*—any water location in a field designated as offshore by the commissioner.

a) Individual well financial security shall be provided in the amount of \$12 per foot of well depth.

b) Blanket financial security shall be provided in accordance with the following.

Total Number of Wells Per Operator	Amount
≤ 10	\$ 250,000
11-99	\$1,250,000
≥ 100	\$2,500,000

4. An operator of land location wells and water location wells who elects to provide blanket financial security shall be subject to an amount determined by the water location requirements.

5. The amount of the financial security as specified above may be increased at the discretion of the commissioner.

6. A change of name by a compliant operator of record through acquisition, merger, or otherwise does not preclude said successor operator from meeting the requirements for exemption from financial security under this Section.

7. The commissioner retains the right to utilize the financial security provided for a well in responding to an emergency applicable to said well in accordance with R.S. 30:6.1.

8. Financial security shall remain in effect until release thereof is granted by the commissioner pursuant to written request by the operator.

a) Such release shall only be granted after plugging and abandonment and associated site restoration is completed and inspection thereof indicates compliance with applicable regulations or upon transfer of such well to an exempt operator.

b) In the event provider of financial security becomes insolvent, operator shall provide substitute form of financial security within 30 days of notification thereof.

9. Plugging and abandonment of a well, associated site restoration, and release of financial security constitutes a rebuttable presumption of proper closure but does not relieve the operator from further claim by the commissioner should it be determined that further remedial action is required.

10. In the event that an operator has previously provided financial security pursuant to LAC 43:XIX.104, such operator shall provide increased financial security, if required to remain in compliance with this Section, within 30 days after notice from the commissioner.

V. PRE-ENTRY NOTICE REQUIREMENT (La. R.S. 30:28; LAC 43:XIX.103)

A. Pursuant to Act 795 of the 2012 Legislative Session, La. R.S. 30:28 was amended to include the requirement that the Commissioner of Conservation promulgate rules requiring an operator to provide notice to the surface owner of lands on which drilling operations are to be conducted.

B. These requirements have been promulgated within the Louisiana Administrative Code as follows:

1. Applicants shall furnish a pre-entry notice to the surface owner no less than 30 days prior to commencing construction operations on the drilling location and shall certify that this requirement has been or will be satisfied on the application to drill.

2. The pre-entry notice shall include the following information:

a) the contact name, email address and phone number of the applicant;

b) the proposed well name and pad location including section, township, range and plat of the pad location, if available;

c) a statement that construction operations will commence no less than thirty days from the date of the pre-entry notice.

3. No pre-entry notice shall be required if the applicant has a contractual relationship with the surface owner.

4. No pre-entry notice shall be required for preparatory activities such as inspection, surveying, or staking.

5. No pre-entry notice shall be required to drill additional wells on an existing drilling pad provided that applicant does not expand the existing pad or access road.

C. Applicants must include an affidavit on Form AFLN-1 with their application certifying compliance with §103.A.1. (***SEE EXHIBIT E***)

VI. CREATING A CONSERVATION UNIT (LAC 43:XIX.3901 et seq.)

A. Procedure

1. Pre-Application Notice

a) Each Pre-Application Notice shall include or be accompanied by the following:

(1) A list of the names and addresses of all interested owners and represented parties to whom it is being sent.

(2) A statement that a reasonable effort has been made to determine to whom the notices required by this rule must be sent.

(3) An explanation of the nature of the proposal and a copy of a unit plat for each sand with any geological bases for any unit boundary labeled thereon. A reasonable effort shall be made to prepare the plat in sufficient detail to enable affected parties to determine the location of their lands.

(4) A day, time and place for a conference which need be held only if notice of a desire to confer with respect to the application is given as herein after provided. Any such conference shall be held within the State of Louisiana (unless mutually agreed otherwise among all interested owners and represented parties) in a city reasonably convenient to the persons involved and shall be scheduled for not less than 20 calendar days following the date of the pre-application notice.

(5) A definition of the sand proposed for unitization with such sand defined in each reservoir thereof by reference to well log measurements.

2. Pre-Application Conference – If any interested owner or represented party desires to confer about the applicant's proposal as set forth in the pre-application notice, he shall, within 10 calendar days after the date of said notice, advise the applicant of his desire to confer, and the applicant shall, within 15 calendar days after the date of the pre-application notice, advise in writing the commissioner, the district manager and all other persons to whom the pre-application notice was sent that the conference will be held. Any interested owner and represented party may attend and participate in the conference even though not requesting it. If the applicant does not timely receive notice of a desire to confer from any party receiving the pre-application notice, he may immediately proceed to file his application.

CONFERENCE GUIDELINES

a) The applicant shall present the available and appropriate geological, engineering or other bases for his position supported by sufficient data and detail for the conferees to have reasonable opportunity to discuss and attempt to resolve their differences in good faith.

b) Any opponent or party supporting the applicant, who has had an opportunity to study the matter and who has developed the geological, engineering or other bases for his opposition or support, shall present his position in sufficient detail to permit the parties to attempt to resolve the differences in good faith.

c) If, however, any opponent or party supporting the applicant is not prepared to discuss the geological, engineering or other bases for his opposition or support at the conference, he shall later comply with the rules to do so.

d) Any participant proposing to create or revise a unit or units shall exhibit a map or plat, reasonably prepared in sufficient size and detail to enable affected parties to determine the location of their lands.

e) Conferences designed to promote an open exchange of views among the parties; therefore, any reference to discussions among the parties as to geological, engineering, or other bases for a party's position at said conferences shall not be admissible in evidence at any hearing. Tape recordings and transcriptions made at any such conference also shall not be admissible in evidence.

f) Conference reports shall be limited to a statement of whether or not there is disagreement among the parties and shall contain no reference to individual geological, engineering or other opinions expressed at said conferences, but they shall indicate the issues that are likely to be controverted and the number of parties likely to present opposing plans.

3. EMERGENCY PROCEDURE - If the twenty (20) day delay occasioned by the Pre-Application procedure would work an undue hardship (such as expiring leases) the applicant can request a waiver in writing. If the commissioner grants the waiver, that party can then proceed to file his application, and will hold a Pre-Hearing conference in lieu of a Pre-application Conference. The Pre-hearing Conference must be scheduled for not less than ten (10) days from the date of the application. This conference must be held whether or not requested.

B. Hearing Application

1. The hearing application may be filed immediately after the pre-application conference and shall be filed with the commissioner with a copy to the district

manager and to each interested owner and represented party. In addition to outlining the purpose thereof, the application shall include or be accompanied by the following:

2. a list of the names and addresses of interested owners and represented parties notified;
3. a list of the names and addresses of all interested parties who are known to the applicant after reasonable search.
4. a statement that a reasonable effort has been made to obtain a complete list of interested parties, interested owners and represented parties;
5. a statement that a conference has or has not been held, including a brief report on the conference, if held, and a list of the parties in attendance;
6. a unit plat prepared in accordance with all applicable memoranda with any geological bases for any unit boundary labeled thereon and the other items required by statute or by the commissioner;
7. a definition of the sand proposed for unitization with such sand defined in each reservoir thereof by reference to well log measurements.
8. In addition to the publication of the legal notice by the commissioner in the official state journal, the applicant shall provide for:
 - a) POSTING of a copy of the legal notice of the hearing and unit plat or plats in a prominent place in the area affected.
 - b) PUBLISHING a copy of the legal notice in a newspaper published in the vicinity or general area of the affected field at least 15 days before the hearing.
 - c) MAILING copies of the legal notice to all interested owners, represented parties and interested parties and a copy of the unit plat or plats shall be included with the legal notice, if said parties have not already been furnished same.
 - d) Evidence to establish posting, publishing and mailing shall be submitted at the hearing;
9. A request for rules and regulations for more than one sand shall be considered a separate application for each sand and the commissioner shall be furnished an extra copy of the application for each additional sand affected thereby. An application fee for each sand shall be filed with the application.
10. If, as a result of any conference, the applicant's proposal as set forth in a pre-application notice is revised, the revised proposal shall be explained in the

application, and if units are involved and are revised, the revised unit plat shall be filed with the application.

11. If the application does not change or alter the units as proposed in the pre-application notice, additional plats need not be furnished to interested owners and represented parties.

12. **OPPOSITION AND COUNTERPLANS** – If differences are not resolved or if any interested owner or represented party desires to oppose or support a proposal by the introduction of evidence at the hearing, then not less than 15 calendar days before the hearing, he must file with the commissioner and furnish to the district manager, the applicant and all persons who attended the pre-application conference his counterplan or supporting plan, including a plat of his proposed units, if units are involved, prepared in accordance with all applicable memoranda with any geological bases for any unit boundary labeled thereon, accompanied by a letter explaining any points of difference with the applicant's plan.

13. **Revisions**

a) If, after the application is filed, the applicant's proposal is revised, the applicant shall promptly notify the commissioner, the district manager and all parties to whom the application was sent, of the revision and furnish to them a copy of any revised plan and unit plat, if units are involved, and shall, if requested, hold a conference to discuss the revised proposal prior to the hearing.

b) If there are differences among the applicant, interested owners and represented parties as to the applicant's revised proposal, and the differences are resolved as a result of any conference, the applicant shall file the revised plan and plat promptly with the commissioner and furnish a copy to the district manager and to all parties to whom the application was sent. No revised proposal may be considered at the hearing unless notice of the revision has been sent to the commissioner, the district manager and to all parties to whom the legal notice was sent, at least five days prior to the hearing.

c) The applicant shall present both the original application proposal and the revised proposal at the hearing, with evidence to support the revision.

14. **Critical Date Hearing**

a) In certain instances, the time delays inherent in the rules of procedure may present an undue hardship on the operator. In such situations as the imminent expiration of leases, the cost to hold a rig pending the creation of the unit, or other economic considerations,

Conservation allows the operator to file an “Estimated Economic Impact Statement” to request a Critical Date Hearing. *(SEE EXHIBIT F)*

- b) The form serves two purposes:
 - (1) It provides a mechanism by which the operator can request an expedited hearing date in order to alleviate or avoid the negative economic impact of the typical delays provided in the process.
 - (2) It attests to the exact type of quantifiable economic impact upon the operator due to the delay.
- c) Critical date hearings are allowed depending upon circumstance and office workload, but are granted in a vast majority of cases.
- d) The typical decrease in time between application and hearing date can be from 90 days to 30 days.

15. HEARING

- a) Applicant’s Presentation
- b) Supporting Evidence – Geologist Testimony
- c) Counterplan
- d) Cross-Examination
- e) Statements

16. THE ORDER

- a) Timing Of Issuance
- b) Recordation

VII. **TERMINATION OF UNITS** (LAC 43:XIX.3101 et seq.)

A. Termination of All Existing Units for a Pool

1. A supplemental order terminating all existing units established by the commissioner for a pool may be issued after written application and upon proper showing, and in the absence of protest without the necessity of a public hearing, when with respect to the pool for which the unit was established, a period of one year and 90 days has elapsed without:

- a. production from the pool; and
- b. the existence of a well proven capable of producing from the pool;
and

- c. drilling, reworking, recompletion, deepening or plugging back operations having been conducted on a well to secure or restore production from the pool.
2. Each application for unit termination shall be filed with the commissioner with a copy to the district manager and each interested party.
3. The application shall include the following:
 - a. a plat showing all existing units established for the pool, with each well located thereon, together with order number(s) and effective date of the order(s) of the commissioner establishing said units. Each well shall be identified on such plat by operator of record, serial number and well name and number or by reference to an appropriate attachment;
 - b. a signed statement indicating the status of each well. Should there exist a well which has not been plugged and abandoned in accordance with LAC 43:XIX.137, sufficient geological, engineering, or other data with detailed explanation thereof to clearly demonstrate that said well is not capable of producing from the pool;
 - c. a signed statement indicating that with respect to the pool for which the unit was established, to the best of applicant's knowledge, a period of one year and 90 days has elapsed without:
 - i. production from the pool; and
 - ii. the existence of a well proven capable of producing from the pool; and
 - iii. drilling, reworking, recompletion, deepening or plugging back operations having been conducted on a well to secure or restore production from the pool;
 - d. a list of all interested parties identified by the applicant after reasonable search to whom a copy of the application has been sent;
 - e. an application fee
4. Notice of the filing of the application of unit termination shall be published in the official journal of the state of Louisiana giving notice that unless a written protest is filed with the commissioner within the 30-day period from the date of publication of notice, the commissioner may issue a supplemental order for such unit termination. In the event written objection is filed within said 30-day period, the applicant may apply for a public hearing for consideration of the application.
5. In the event that production from the pool is subsequently reestablished from an existing well which was deemed not capable of producing from the pool as of the effective date of unit termination, the operator of record of such well shall immediately apply to the commissioner for a public hearing, after 30-day

legal notice, to consider evidence concerning whether the previously existing unit on which the well is located should be reestablished for such well.

B. Termination of Any Existing Unit for a Pool

1. A supplemental order terminating any existing unit(s) established by the commissioner for a pool may be issued after written application and upon proper showing in the manner provided herein, and in the absence of protest without the necessity of a public hearing, when with respect to the unit(s) to be terminated, each of the following apply as of the date the application for unit termination is filed with the commissioner:

- a) a period of five years has elapsed without any production from the unit(s); and
- b) there is no well located on the unit(s) which is capable of producing from the pool for which the unit(s) was established; and
- c) a period of one year and 90 days has elapsed without any drilling, reworking, recompletion, deepening or plugging back operations having been conducted on a well located on the unit(s) to be terminated in an attempt to secure or restore production from the pool for which the unit(s) was established.

2. Each application for unit termination shall be filed with the commissioner with a copy to the district manager and each interested party. The application shall include the following:

- a. a plat showing the existing unit(s) to be terminated, with each well located thereon, together with order number and effective date of the order of the commissioner establishing said unit(s). Each well shall be identified on such plat by operator of record, serial number and well name and number or by reference to an appropriate attachment;
- b. a signed statement indicating the status of each well. Should there exist a well which has not been plugged and abandoned in accordance with LAC 43:XIX.137, sufficient geological, engineering, or other data with detailed explanation thereof to clearly demonstrate that said well located on the unit(s) is not capable of producing from the pool for which the unit(s) was created;
- c. a signed statement indicating that with respect to the unit(s) to be terminated, to the best of applicant's knowledge, each of the following apply as of the date the application for unit termination is filed with the commissioner:

- a. a period of five years has elapsed without any production from the unit(s); and
- b. there is no well located on the unit(s) to be terminated which is capable of producing from the pool for which the unit(s) was established; and
- c. a period of one year and 90 days has elapsed without any drilling, reworking, recompletion, deepening or plugging back operations having been conducted on a well located on the unit(s) in an attempt to secure or restore production from the pool for which the unit(s) was established; and
- d. there is no unexpired drilling permit for the drilling of a new well on the unit(s) to be terminated to a depth which would penetrate the pool for which the unit(s) was established;
- e. a list of all interested parties identified by the applicant after reasonable search to whom a copy of the application has been sent;
- f. an application fee

3. Notice of the filing of the application of unit termination shall be published in the official journal of the state of Louisiana giving notice that unless a written protest is filed with the commissioner within the 30-day period from the date of publication of notice, the commissioner may issue a supplemental order for such unit termination. In the event written objection is filed within said 30-day period, the applicant may apply for a public hearing for consideration of the application.

C. The effective date of any supplemental order issued hereunder cannot be prior to the expiration of the legal advertisement period. Therefore, any operational activity described in the criteria above, occurring between the date of the signed statement and the expiration of the legal advertisement period, shall result in application denial.

D. Any supplemental order issued approving the application terminating any unit(s) created for the pool shall be filed of record.

EXHIBITS