



## **Instructions for Ohio Revised Code 1509.28 Application for Unit Operations**

An application for unit operations consists of all of the following:

- a completed electronic form “**Ohio Revised Code 1509.28 Application for Unit Operations**”,
- all required attachments to the form, and
- a \$10,000 non-refundable filing fee. The filing fee check must indicate the unit application to which it applies.

To submit an application, each application must either:

- be emailed in a zipped file to [unitization@dnr.ohio.gov](mailto:unitization@dnr.ohio.gov); or
- delivered to the Division’s secure FTP site. To request access to the secure FTP site, please contact [unitization@dnr.ohio.gov](mailto:unitization@dnr.ohio.gov). All documents will be locked once uploaded to the secure FTP site.

Unless otherwise exempted by instructions below, all information requested on the **Ohio Revised Code 1509.28 Application for Unit Operations** form is required. Any required information not submitted in the application will be considered materially incomplete.

All information submitted must be legible, including all attachments.

All Exhibits must be labeled and attachments must be letter sized (8.5" x 11"), except for Exhibits A and C, which must be legal sized (8.5" x 14").

Requests for an amendment to an order for unit operations should be filed in the same manner on the same form as an original application and will be subject to the same conditions. The application form should be utilized for requests to amend orders for unit operations.

### **DEFINITIONS**

“Person” has the same meaning as in R.C. § 1509.01.

“Division” means the “Ohio Department of Natural Resources, Division of Oil and Gas Resources Management.”

“Chief” means the “Chief of the Division.”

“Application” means an **Ohio Revised Code 1509.28 Application for Unit Operations** submitted to the Division and supplements to it, or a request to amend an order for unit operations submitted to the Division and supplements to it.

“Royalty interest owner” means a person or the estate of a person, other than a working interest owner, who owns the right to or interest in any portion of the oil and/or gas, or proceeds from the sale thereof, from a tract.

“Working interest” means an interest in oil and/or gas in the unit area by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, the owner of which is obligated to pay either in cash or out of production or otherwise a portion of the unit expense.

“Working interest owner” means a person or the estate of a person who owns an interest in oil and/or gas in the unit area by virtue of a lease, operating agreement, fee title, or otherwise,

including a carried interest, the owner of which is obligated to pay either in cash or out of production or otherwise a portion of the unit expense. "Working interest owner" does not include an unleased mineral owner.

"Unleased mineral owner" means a royalty interest owner who owns oil and/or gas rights free of a lease or other instrument conveying all or any portion of the working interest in such rights to another.

"Consenting working interest owner" means any working interest owner who enters into an agreement with the applicant pertaining to the operation of the unit.

"Non-consenting working interest owner" means a working interest owner who does not enter into an agreement with the applicant pertaining to the operation of the unit.

"Gas" has the same meaning as in R.C. § 1509.01.

"Oil" has the same meaning as in R.C. § 1509.01.

"Unit Area" means all of the lands, oil and gas leases and/or oil and gas interests of the tracts included in the unit that is the subject of the application.

"Lateral Length" means productive length measured in feet of the horizontal portion of the wellbore in the proposed unit area.

"Measured Depth" means the total length measured in feet of the entire wellbore.

"Operating Cost" means the expenses beginning from the first day of production directly related to the maintenance of and operation of a well for production of oil, gas, or both oil and gas.

"Capital Cost" means the expenses incurred from pad development to the point of first production and all costs incident to that. Capital costs also include well plugging and restoration expenses.

"Undiscounted Value of Estimated Recovery" means a calculation of the undiscounted present value of estimated future oil and gas revenues.

"PV0" means a calculation of the undiscounted net present value of estimated future oil and gas revenues.

"PV10" means a calculation of the undiscounted net present value of estimated future oil and gas revenues, discounted at an annual rate of 10%.

"Estimated Gross Recovery (BCFe)" means the estimated recovery volume of natural gas equivalent using the ratio of six thousand cubic feet of natural gas to one barrel (or 42 U.S. gallons liquid volume) of oil, condensate, and natural gas liquids.

## Section 1 – Applicant Information

**Boxes 1-4:** Complete boxes 1 through 4 by entering the applicant's name, the applicant's mailing address, and the applicant's office phone number.

**Box 5:** If applicable, complete box 5 with an email address.

**Boxes 6-10:** Complete boxes 6 through 10 by entering the name of the landman of the applicant, the landman's mailing address, the landman's office phone number, and the landman's email address.

**Boxes 11-16:** If applicable, complete boxes 11 through 16 by entering the name of the attorney for the applicant, the name of the attorney's law firm, the mailing address of the law firm, the attorney's office phone number, and the attorney's email address.

## Section 2 – Unit Information

**Box 1:** Unit Name – the applicant must identify the proposed unit name. Unless the application is a request to amend an order for unit operations, the name for the unit cannot be a unit name previously submitted to the Division for any other unit. To search previously used names, please go to: [oilandgas.ohiodnr.gov/unitization](http://oilandgas.ohiodnr.gov/unitization)

**Box 2:** Unit Location County and Township – list the name of each County and of each Township where the proposed unit is planned to be located. *Example: Orange Township, Carroll County and Monroe Township, Harrison County.*

**Box 3:** Number of Tracts – enter the total number of tracts in the proposed unit. For numbering purposes, if a tract is split into multiple tracts, such as 1a, 1b, and 1c, that tract shall be counted as one tract.

**Box 4:** Total Unit Area – enter the total number of acres in the proposed unit. This shall be a number not to exceed three decimal places.

**Box 5(a):** Number of Proposed Wells – enter the total number of wells proposed in the unit. The total number of wells must correspond with the economic information required under Section 5.

**Box 5(b):** Number of Existing Wells – enter the total number of existing permitted and drilled wells in the proposed pool or part of a pool within the proposed unit. Identify each well by API number and by well name.

**Box 6:** Identify the proposed pool or part of a pool in which the proposed well(s) will produce oil and/or gas.

**Box 7:** Select the appropriate box as to whether the application is to amend an order for unit operations.

**Box 8:** If "yes" is marked as an answer in box 7, explain the basis for the application.

**Box 9:** If "yes" is marked as an answer in box 7, identify the Chief's Order to be amended. Example format: Chief's Order 2023-700

**Box 10:** Mark "yes" if the applicant is the owner or has the consent of the owner(s) (as defined in R.C. § 1509.01 (K)) of at least 65% of the land overlying the pool or part of a pool that is the subject of the unitization application.

**Box 11:** If "yes" is marked as an answer in box 10, provide the total acreage that the applicant is the owner of and has the consent of the owner(s) in the proposed unit. Generally, this number shall not exceed 3 decimal places.

**Box 12:** If 70% or less of the acreage in the proposed unit is consented acreage in the unit, mark the applicable box corresponding to the method that was used to determine the area. If "other" is marked, provide information identifying the method used.

**Box 13:** Mark the applicable box of whether mineral interests owned by the State of Ohio are included in the proposed unit. If "yes" is marked as the answer, list the name of each state agency that owns the mineral interest. If the state agency is unknown, list "unknown."

## Section 3 – Exhibits

**Exhibit A: A list identifying all mineral owners in the proposed unit, leased or unleased, including all working interest owners.**

[Exhibit A \[XLSX\]](#)

- All cells for each mineral owner must be completed in its entirety, except that the Lease ID Number column is optional.
- For unleased mineral owners, enter 0.00% in the Consenting Working Interest column and Working Interest columns. Cells regarding the Decimal Interest in Tract may be merged if there are multiple owners for a tract and the interests have not yet been determined. For example, if there are 10 possible interests in tract 1, you can merge those cells.
- For mineral owners listed with both consenting working interest and non-consenting working interest, split the row so it is clearly indicated how much interest is consenting and how much interest is non-consenting.
- If supplemented, an additional column shall be included on the exhibit that explains all changes made pertaining to each tract.
- If any mineral owner in the unit is a business entity, include the name of a contact person within that business entity.
- The exhibit shall be submitted in PDF and Excel format.

**Exhibit B: A plat map of the unit, identifying the counties, townships, section numbers, parcel boundaries, and all parcels in the unit, including the tract and corresponding parcel number.**

- If the tracts are too small to number legibly, the map may be split into multiple pages.
- If the map is split, include the full map on the first page, label it Exhibit B, and indicate where on the map the pages are split. Each additional page should be labeled using the format B-1, B-2, etc.
- Each tract number and its corresponding parcel number and acreage must be included in a table on the plat map. The information may be included on a separate page if it will not fit on the full map. If the plat map is split into multiple pages, a table must be included on each split page and list only the tracts that appear on that page. A master tract list table must be included on a separate page at the end of the plat map that has an additional column identifying the page(s) where the tracts are contained.

**Exhibit C: A list identifying all parcels subject to pending ownership litigation or potential adverse ownership claims (if applicable)**

[Exhibit C \[XLSX\]](#)

- If applicable, all cells for each potential mineral interest owner must be completed. No cells should be blank.
- For unleased mineral owners, enter 0.00% in the Consenting Working Interest column and Working Interest columns. Cells regarding the Decimal Interest in Tract may be merged if there are multiple owners for a tract and the interests have not yet been determined.
- Numbers should not exceed 3 decimal places.

**Exhibit D: A color-coded map that is legible and shows the following:**

- The boundary of the proposed unit area;
- The total acreage of the proposed unit area;
- The proposed location of the well pad(s) and wells drilled and to be drilled that comply with state setback and spacing requirements;

- The tracts of land within the unit area that are leased to, owned by, or subject to an agreement with the applicant, shown in yellow;
- The tracts of land within the unit area that are unleased, shown in red;
- The tracts of land within the unit area that are leased to other operators (i.e. non-consenting working interest owners), shown in green;
- A 400-foot boundary around each parcel in the unit that is not leased by the applicant or that is not subject to an agreement with the applicant;
- Identification of each tract within the unit area by tract number and corresponding parcel number of a size that is legible; and
- The scale.

**Exhibit E: Gamma Ray Density or Gamma Ray resistivity geophysical type log identifying the proposed geological formations to be produced, with a cross-section showing where the applicant is proposing to drill into and produce from in the unit area.**

**Exhibit F: A Location Map depicting the proposed unit area and the location of the wells used in the cross-section in Exhibit E.**

**Exhibit G: Leasing Efforts & Affidavit of Leasing Efforts**

- **Affidavit of Leasing Efforts Form** must be filled out completely and notarized.
- For each entry on the **Leasing Efforts Template** identify whether the owner is an unleased mineral owner or a non-consenting working interest owner.
- For each entry in the spreadsheet, include a minimum of three contacts with the unleased mineral owner or non-consenting working interest owner on three separate dates.
- Indicate with an asterisk the tract number(s) and corresponding parcel number(s) or otherwise clearly indicate if leasing efforts for non-conforming leases or protection leases for potential adverse ownership exist. Indicate if an entry is due to a non-conforming lease or protection lease rather than an unleased mineral owner or non-consenting working interest owner.

[Affidavit of Leasing Efforts Form \[DOCX\]](#)

[Leasing Efforts Template \[XLSX\]](#)

**Exhibit H: Owner List for Notice Purposes**

- Each Mineral Owner and Potential Owner must be listed once in this exhibit with a list of all of the tracts they have an interest in.
- All columns are required.
- The exhibit shall be submitted in PDF and Excel format.
- After a hearing on an application for unit operations or a request for amendment is held, this exhibit does not need to be updated or supplemented.

[Exhibit H \[XLSX\]](#)

## Section 4 – Mailing List

- ToName – Name entries are limited to 44 characters and cannot include symbols. If the notice should be to someone's attention, it should be formatted as: "Attn name". This field cannot be left blank.
- ToCompany – If applicable, a business entity name must be in this column. Trusts may also be included in this column. An entry cannot exceed 44 characters and cannot not include symbols.
- ToAddress – Enter each street address as recognized by the United States Postal Service.

[Mailing List Template \[XLSX\]](#)

- ToAddress2 – This field is for Suites, Apartment Numbers, Room Numbers, Etc.
- ToCity – Enter the name of each applicable city. Symbols, including an apostrophe, cannot be included.
- ToState – Enter the standard two-letter abbreviation for the applicable state.
- ToZip – Please be sure to format cells as Zip Code (this will help keep a 0 in the first digit for certain zip codes in excel). To do this, right click on the cell(s), select Format Cells, select Special, select Zip Code, select OK.
- ToZip4 – Optional. If known, the additional four digits zip code may be entered in this column.

## Section 5 – Economic Calculation Summaries

- Assuming the spacing requirements of Ohio's oil and gas laws and rules are met, for both the unitized and non-unitized scenarios, enter each proposed well name, each corresponding well lateral length (ft), the measured depth (ft) of each well, operating costs, capital costs for each well (MM\$), the undiscounted value of estimated recovery for each well (MM\$), the PV0 and PV10 for each well (MM\$), and the estimated gross recovery (BCFe) for the life of each proposed well.
- Enter the total of each column in the appropriate box.
- Enter the difference between the Unitized and Non-Unitized Scenarios in the "Difference" table for each well. Enter the total difference of each column in the appropriate box.
- If the application proposes more than 5 wells, include the unitized, non-unitized, and difference summaries on a separate attachment.
- If there are wells drilled in the same pool or part of a pool as the proposed wells in the unit area, include the well lateral length (ft), the measured depth (ft), operating costs, any capital expenditure, the undiscounted value of remaining estimated recovery for each well (MM\$), the remaining PV0 and PV10 (MM\$), and the remaining estimated gross recovery (BCFe) for each existing well.

## Section 6 – Attachments

### Working Interest Approvals Form

- Applicant must complete a **Working Interest Approval Form**.
- All consenting working interest owners also must complete a **Working Interest Approval Form** and it must be included in the application.

[Working Interest Approval Form \[DOCX\]](#)

### Applicant's Operating Agreement

- Attach the applicant's **Operating Agreement**.

### Affidavit of Operating Agreement (if applicable)

- Attach an affidavit indicating that the applicant has executed an agreement with a working interest owner that authorizes the applicant to commit the working interest owner's acreage on behalf of the applicant.
- This affidavit must be included in the application, if applicable.

### Georeferenced File

- Submit a georeferenced file that outlines the proposed unit boundary, for example, in GIS or CAD file format, using the NAD83 coordinate system.

- No specific file type is required.

## Section 7 – Attestation

- For submission of the initial application or a request for an amendment of an order for unit operations, complete the Attestation A.
- For submission of a supplement to an application, complete the Attestation B - Supplement.
- To be considered complete, the form must be notarized.

## Supplemental Application

For any supplement to an application, form **Ohio Revised Code 1509.28 Application for Unit Operations** must be completed in accordance with these instructions.

For a supplement to an application, if any information changed from a previously submitted application, mark the right column on **Ohio Revised Code 1509.28 Application for Unit Operations** form to indicate a change in each applicable Section.