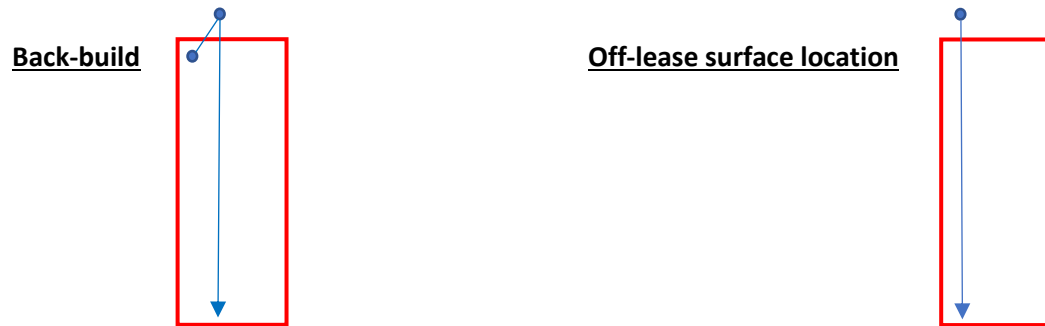


## When is a subsurface agreement is required?

A subsurface agreement is required anytime a wellbore crosses outside of the wells dedicated acreage (project area). There are two scenarios when a subsurface agreement is required; back-builds and off-lease surface locations. The intent for both scenarios is to prevent collisions and ensure maximum development of Land Office acreage.



### **Back-build**

If a well back-builds outside of the dedicated acreage of the com (project area) onto state minerals, an operator is required to obtain a subsurface agreement. The first step in obtaining said instrument is to work with the State Land Office's Oil, Gas and Minerals Division (OGM). OGM will provide initial review and guidance prior to submission of the subsurface agreement. An instrument shall be required for a back-build if the Land Office has *any* interest outside the project area (e.g. mineral or full estate).

### **Off-lease surface location**

If a well proposes to have the surface location outside of the dedicated acreage of the com (project area) onto state minerals, an operator is required to obtain a subsurface agreement. The first step in obtaining said instrument is to work with the State Land Office's Oil, Gas and Minerals Division (OGM). OGM will provide initial review and guidance prior to submission of the subsurface agreement. An instrument will be required if the SLO has *any* interest outside the project area, including offsetting leases (e.g. mineral or full estate).

### **Timing**

It is essential to allow ample time in your drilling plans if a subsurface agreement is required. An approved subsurface agreement will be required before the final approval of the communitization agreement is granted.

### **Point of Contact**

Within OGM, please work with Joseph Thompson ([jthompson@nmslo.gov](mailto:jthompson@nmslo.gov)) and/or Allison Marks ([amarks@nmslo.gov](mailto:amarks@nmslo.gov)) if you require one of these instruments.