

PLANS OF DEVELOPMENT, EXPANSION, OR UNIT CONTRACTION

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PLANS OF DEVELOPMENT, EXPANSION, OR UNIT CONTRACTION

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I. INTRODUCTION

Plans of development and summaries of operations are filed to show activity in the unit in the past year and planned activity in the next year. Unit expansions or contractions are initiated if an expansion or contraction of the unit area is needed to accomplish the purposes of the unit agreement.¹ Automatic unit contraction occurs under the terms of most unit agreements and eliminates non-productive lands from the unit. Plans of development, expansions and unit contractions, therefore, relate to the geology of the unit area and reflect the goal of producing unitized substances efficiently based on the characteristics of the pool or field covered by the unit area. Designations of agent or sub-operator are agreements parties may make to allow someone other than the unit operator to conduct certain operations on the unit area.

II. PLANS OF DEVELOPMENT

A. Generally

Plans of development are required by Section 10 of the model form onshore federal exploratory unit agreement.² The unit operator is required to submit for the approval of the authorized officer an acceptable plan of development and operation for the unitized land. When the plan of development is approved by the authorized officer, it shall constitute the further drilling and development obligations of the unit operator under the unit agreement for the period specified in the plan of development. Section 10 of the unit agreement provides reasonable diligence shall be exercised in complying with the obligations of the approved plan of development and operation.

Operators must submit three counterparts of all plans of development and operation for approval under an approved agreement.³

B. Timing

The first plan of development is to be filed within six months after completion of a well capable of producing unitized substances in paying quantities. The authorized officer can grant a reasonable extension of the six month period prescribed in the unit

¹ The portions of this paper on plans of development and unit expansions are an update of a prior paper; see, Sheryl L. Howe, "Plans of Development and Unit Expansions," *Federal Onshore Oil and Gas Pooling & Unitization*, Paper 6 (Rocky Mt. Min. L. Fdn. 2006).

² 43 C.F.R. § 3186.1. References in this paper to the unit agreement refer to the model form published in the regulations.

³ 43 C.F.R. § 3183.6.

agreement for submission of an initial plan of development and operation where such action is justified because of unusual conditions or circumstances. Thereafter, before the expiration of any existing plan, the unit operator shall submit for the approval of the authorized officer a plan for an additional specified period for the development and operation of the unitized land. The unit agreement provides that subsequent plans should normally be filed on a calendar year basis not later than March 1 each year. Any proposed modification or addition to the existing plan is to be filed as a supplement to the plan.

After completion of a well capable of producing unitized substances in paying quantities, no further wells, except as may be necessary to afford protection against operations not under the agreement and such as may be specifically approved by the authorized officer, shall be drilled except in accordance with an approved plan of development and operation.

C. Contents

Section 10 of the unit agreement provides the plan shall “(a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) provide a summary of operations and production for the previous year.”

The Draft Bureau of Land Management (“BLM”) Manual provides the initial plan of development and operations should describe all anticipated unit operations for the next 6 to 12 months, including the drilling, completing, conversion, and production of unit wells, and other surface disturbing operations.⁴ Generally, all work that would change a well’s producing formation or status, or operations that would require the prior approval of the authorized officer (such as drill deeper, plug back, abandonment, or conversion to an injection well), should be included in the plan of development. Routine stimulation and workover operations need not be covered by a plan of development as long as the resulting producing interval of the well remains within the productive limits of the participating area for the well.⁵

The plan shall provide for the timely exploration of the unitized area, and for the diligent drilling necessary for determination of the area or areas capable of producing unitized substances in paying quantities in each and every productive formation. The unit agreement provides the plan shall be as complete and adequate as the authorized officer may determine to be necessary for timely development and proper conservation of the oil and gas resources in the unitized area.

The Draft BLM Handbook provides that until the limits of paying production in each participating area have been determined, the number of proposed exploratory wells should approximate the number of proposed development wells. The Handbook qualifies

⁴ Draft BLM Manual Section 3180 – Unitization (Exploratory) Section .12(D.). The BLM Manual and Handbook are referred to as Draft documents, because they have not been formally adopted. They do provide helpful guidance and reflect BLM’s approach to many issues.

⁵ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.H.2.

this, however, by providing the authorized officer should exercise reasonable judgment in determining this ratio.⁶

A BLM representative has advised that the BLM would like to see in a plan of development and summary of operations updated maps, especially field maps showing new wells, pipelines, roads and facilities.

Any proprietary geologic information should be marked on each page as **CONFIDENTIAL INFORMATION**.

When the unit area has been fully developed, the authorized officer may require an annual summary of operations to be filed, without a plan of development.⁷

D. Supplements

Section 10 of the unit agreement provides plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to the agreement.

E. Unit Operating Agreement Procedures

Article 7 of the unit operating agreement relates to plans of development.⁸ Section 7.1 requires the unit operator to submit plans of development to the authorized officer. The unit operator shall initiate each proposed plan by submitting it in writing to each party to the unit operating agreement at least 30 days before filing it with the authorized officer. If, within the 30-day period, the plan receives the approval of the parties (defined as the percentage of approval required in the unit operating agreement) or no written objection is received, then the plan shall be filed.⁹ During the 30-day period, any party may submit to the unit operator written objections to the plan. If, despite any objections, the plan receives the approval of the parties, then the party making the objections may renew the objections before the authorized officer. If the plan does not receive the approval of the parties and the unit operator receives written objections to the plan, the unit operator shall submit a revised plan to the parties taking into account the objections made to the first plan. However, if no plan receives the approval of the parties within 60 days from the submission of the first plan, the unit operator shall file with the authorized officer a plan reflecting as nearly as practicable the views expressed by the parties.

If a plan filed by the unit operator is rejected by the BLM, the operator shall initiate a new plan following the same procedures required in Section 7.2.

⁶ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.H.1.

⁷ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.H.3.

⁸ References to the unit operating agreement in this paper are to the Rocky Mountain Unit Operating Agreement, Form 2 (Divided Interest), 1994, published by the Rocky Mountain Mineral Law Foundation.

⁹ Section 7.2, Unit Operating Agreement.

If and when a plan has been approved or disapproved by the BLM, the unit operator shall give prompt notice of the approval or disapproval to each party to the unit operating agreement.

The unit operating agreement provides for the unit operator to submit a supplemental plan to the authorized officer, or to request the authorized officer to consent to the operation, if consent is sufficient, in the event that the parties have elected to proceed with certain operations under the unit operating agreement which are not provided for in the then current plan of development approved by the authorized officer. Also, if any approved plan provides for cessation of any drilling or other operation under certain circumstances, the unit operator shall promptly cease the drilling or other operation and shall not incur any additional costs in connection with such operation, absent additional approval from the parties.

F. Available on WOGCC Website

Plans of development and operation affecting Wyoming properties are posted on the website of the Wyoming Oil and Gas Conservation Commission.¹⁰

III. UNIT EXPANSION AND CONTRACTION TO CONFORM WITH THE PURPOSES OF THE UNIT AGREEMENT

A. Procedure to Expand or Contract the Unit Area under Section 2(a) – (d) of the Unit Agreement

Section 2 of the model form unit agreement provides that the unit area shall when practicable be expanded to include any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of the unit agreement. The unit agreement sets out four steps to take to accomplish such expansion or contraction of a unit:

(a) Unit operator, on its own motion (after preliminary concurrence by the authorized officer), or on demand of the authorized officer, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

(b) The notice shall be delivered to the proper BLM office, and copies thereof mailed to the last known address of each working interest owner, lessee and lessor whose interests are affected, advising that 30 days will be allowed for submission to the unit operator of any objections.

¹⁰ <http://wogcc.state.wy.us>. In order to access a plan of development, choose the Units category on the website's home page, enter the unit name or number, and choose plan of development.

(c) Upon expiration of the 30-day period provided in the preceding item (b), unit operator shall file with the authorized officer evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the unit operator, together with an application in triplicate, for approval of the expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the authorized officer, become effective as of the date prescribed in the notice thereof or such other appropriate date.

Thus, the first step for a unit operator that wishes to expand or contract a unit under Section 2(a)-(d) is to obtain the preliminary concurrence of the authorized officer. This may be done by a letter requesting preliminary approval. The unit operator also often makes a presentation to the BLM to show the geologic reasons for the unit expansion or contraction, similar to an area and depth meeting at the outset of a unit. Any data considered proprietary should be marked on each page as **CONFIDENTIAL INFORMATION**.

After obtaining BLM preliminary approval of an expansion or contraction, in the case of an expansion the unit operator obtains ratifications and joinders from owners in the proposed expansion area. The operator also sends the notice of proposed expansion or contraction required in Section 2(b). A plat showing the current area and the area to be added and/or deleted should be included with the notice.¹¹

Revised Exhibits A and B to the unit agreement are to be submitted to the BLM. Also, ratifications and joinders are to be filed with the BLM. Parties who own an interest in the original unit area, and an interest in the expansion area, must submit an additional joinder to the unit agreement, and, if a working interest owner, to the unit operating agreement.¹²

The Draft BLM Handbook contains Guidelines for Expanding or Contracting the Unit Area, which are attached to this paper as Exhibit A.

B. BLM Approval of Expansion

The Interior Board of Land Appeals (“IBLA”) has rejected an argument that a unit expansion should not have been approved by the BLM because there was no specific finding that the expansion was in the public interest. In the *Celsius Energy Co.* case,¹³ the IBLA found that the Crawford Draw Unit Agreement allowed expansion of the unit when it “is deemed to be necessary or advisable to conform with the purposes of this agreement.” The Crawford Draw Unit Agreement provided that it was created in order to conserve natural resources and prevent waste. The IBLA found that the agreement did not specifically require consideration of the public interest in revising the unit, but the

¹¹ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.I.2.

¹² Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.I.5.

¹³ *Celsius Energy Co.*, 136 IBLA 293, GFS (O&G) 24 (1996).

public interest is protected by the requirement that the revision be deemed necessary or advisable to conform to the purposes of the agreement.

In the *Celsius* case, the lands added to the unit by the expansion had been reasonably proven productive. The Crawford Draw Unit had contracted to 1,240 acres, which were the lands included within the first revision of the participating area. Unit Well Nos. 9 and 10 were drilled in the participating area. The operator, W. A. Moncrief Jr., requested preliminary approval for a unit expansion based on Unit Well Nos. 9 and 10, relying on 640-acre circles drawn around the unit wells, using the circle tangent method. The Casper office of the BLM notified Moncrief that further evaluation indicated the productive potential of Unit Well Nos. 9 and 10 showed that 320-acre circles should be used to identify the lands reasonably proven productive and to define the lands to be included in the unit expansion. Moncrief submitted an application for preliminary approval for the first expansion, to add 120 acres of federal land based upon the completion of Unit Well No. 10. Unit Well No. 10 was completed inside the unit, within 500 feet of the unit boundary, on a patented lease offsetting a federal lease. Owners of 3.8% of the working interest objected to the proposed expansion of the unit. The BLM approved the unit expansion of 120 acres.

Celsius argued that the unit should not have been expanded based upon a well on lands already in a participating area. The IBLA found, however, that because of its location, Unit Well No. 10 had the potential to test unexplored acreage outside the unit area. One of Celsius's objections was that correlative rights were not being protected by the unit expansion, and Celsius argued it was prejudicial treatment to allow Moncrief to benefit by drilling within the participating area and to expand the unit to encompass his own lands. The IBLA found that it would be contrary to the purpose of the agreement for BLM to make its decision based upon land ownership.

Celsius also made an argument based upon its view that the risk of a dry hole was disproportionately allocated, again because Unit Well No. 10 was drilled in an existing participating area. The IBLA noted that the unit operating agreement governs how costs and ownership are apportioned among the working interest owners, both for wells drilled within and outside participating areas. The BLM does not approve the unit operating agreement, which is a private agreement among the parties to the unit agreement concerning how they will carry out their business. The IBLA stated that the BLM is neither a party to nor an arbiter of such disputes, including the determination to drill a development well instead of an exploratory well, which is a matter for the unit parties to work out. This portion of the *Celsius* case highlights that it is the terms of the unit agreement which govern the criteria for expanding a unit.

The IBLA has also found that the reasonableness of a unit expansion proposal must be considered by the Department of the Interior when deciding whether the unit area should be expanded.¹⁴

¹⁴ *Chevron U.S.A. Inc.*, 111 IBLA 96, GFS (O&G) 104 (1989).

C. Required Well and Other Terms

The BLM usually requires an obligation well to be drilled to validate a unit expansion. If the expansion covers a large area, there may be more than one obligation well. The obligation well must be drilled to validate the expansion. As in the *Celsius*¹⁵ case, an obligation well may not be required if the lands in the expanded area have already been proved productive by a well drilled in the unit but near the unit boundary.

D. Effective Date of Expansion

In *Celsius*¹⁶ the IBLA noted that the unit agreement provides the unit operator prepares a notice of proposed expansion with a proposed effective date, preferably the first day of the month following notice. The operator in *Celsius* had included in its notice a proposed effective date that was different than the first day of the month following the notice. The BLM had approved the requested effective date in the operator's notice. The effective date was challenged by Celsius, and the IBLA agreed that there was nothing in the record of the appeal to overcome the stated preference for the expansion to be effective the first day of the month after notice of the proposed expansion. The IBLA found that when no reason is provided for selecting a different date by the record on appeal, the BLM decision regarding the effective date would be reversed and the preferred date of the first day of the month after the notice of proposed expansion was given would be the effective date.

E. Required Joinder to Expansion

In *Chevron U.S.A. Inc.*,¹⁷ the IBLA addressed whether the BLM can require a lessee to ratify and join an expanded unit. The IBLA found that BLM does have this power, under the terms of 30 U.S.C. §226(m), which is the statute authorizing unitization of federal leases, as well as the lease terms and the terms of the unit agreement. The IBLA stated that "having the authority to expand or contract units and participating areas, the Secretary also has the concomitant authority to order such joinder as is necessary to implement that decision." The IBLA recognized that the BLM did not have the authority, however, to force a lessee to ratify the unit operating agreement.

F. Caution - Regarding a Unit Expansion and Automatic Contraction

When a unit is expanded, the expansion often does not change the other terms of the unit agreement. Therefore, the automatic contraction that occurs under Section 2(e) of the model form unit agreement may occur at the same time as originally provided in the agreement, even though additional lands have been added to the unit.

¹⁵ *Celsius, supra*, Note 13.

¹⁶ *Celsius, supra*, Note 13.

¹⁷ *Chevron, supra*, Note 14.

IV. AUTOMATIC UNIT CONTRACTION

A. Automatic Contraction under Section 2(e) of the Unit Agreement

Federal exploratory units usually contain a provision for automatic contraction of the unit five years after the effective date of the initial participating area, unless continuous drilling operations are occurring at that time. The first sentence of Section 2(e) of the unit agreement provides as follows:

All legal subdivisions of land (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90-days time elapsing between the completion of one such well and the commencement of the next such well.

Section 2(e) of the unit agreement goes on to provide that all legal subdivisions of land not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under the agreement shall be automatically eliminated from the agreement as of said tenth anniversary. All lands reasonably proved productive of unitized substances in paying quantities by diligent drilling operations after the 5-year period shall become participating in the same manner as during the first 5-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated as of the 91st day thereafter. The unit agreement also provides that if conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed 2 years may be accomplished by consent of the owners of 90% of the working interest in the current nonparticipating unitized lands and the owners of 60% of the basic royalty interest (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the authorized officer, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

The unit operator shall, within 90 days after the effective date of any elimination under Section 2(e) of the unit agreement, describe the area so eliminated to the satisfaction of the authorized officer and promptly notify all parties in interest.

Often, the automatic contraction under Section 2(e) of the unit agreement means that the unit contracts to the lands within the participating areas. This is not precisely accurate, however, if the participating area contain parcels of land that are smaller than a 40-acre quarter-quarter section or its nearest lot or tract equivalent. For example, in some oil producing units, the participating areas include 10 acre parcels, such as the SE/4SW/4SE/4. In this situation, under Section 2(e) of the unit agreement, the SW/4SE/4 would remain in the unit after automatic contraction, but the N/2SW/4SE/4 and SW/4SW/4SE/4 would not be in the participation area. See, as an example, the map of the Cooper Reservoir Unit Area attached to this paper as Exhibit B.

If all of the lands covered by a federal lease are contracted out of a unit by this automatic contraction provision, the lease will receive a 2-year extension. The Mineral Leasing Act of 1920 provides “[a]ny lease which shall be eliminated from any such approved or prescribed [unit] plan . . . , unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.”¹⁸

B. Some Older Unit Agreements Do Not Have Automatic Contraction Provisions

The model form unit agreement has been revised several times. Unit agreements before 1955, and possibly a few after that date, may not contain an automatic elimination provision.¹⁹ In *Wexpro Co.*,²⁰ the IBLA found that the BLM has the authority to require drilling wells within a unit but outside the established participating areas or contraction of the unit if the required wells were not drilled. This case involved the South Baxter Basin unit agreement dated April 10, 1942. The IBLA looked at the enabling legislation and the South Baxter Basin unit agreement to reach its decision. *Wexpro* asserted in one of its arguments that the South Baxter Basin unit agreement does not provide for automatic contraction of the unit area. Thus, with older unit agreements it is important to review the agreement to determine whether there is an automatic contraction provision in the agreement.

C. Federal Leases Are Not Segregated if Part of the Lease Lands are Contracted Out of a Unit

When a unit automatically contracts, if a federal lease has lands remaining in the unit and lands contracted out of the unit, the federal lease is not segregated. In *Marathon*

¹⁸ 30 U.S.C.A. § 226(m).

¹⁹ Vol. 2, Rocky Mountain Mineral Law Foundation, *Law of Federal Oil and Gas Leases*, § 18.03[2][b][ix] (LexisNexis Matthew Bender 2013).

²⁰ *Wexpro Co.*, 142 IBLA 392, GFS (O&G) 9 (1998).

Oil Co.,²¹ the IBLA overturned an Alaska BLM decision which had segregated and terminated the nonunitized portions of the federal leases, after automatic contraction of a unit left lands covered by several leases both within and outside the contracted unit. The IBLA noted that the situation is different when a unit is formed and only part of the lands in a federal lease are committed to the unit; in that situation the lease is segregated. This case, however, involved elimination of part of the leased lands from the unit. The IBLA states “the leases herein were initially placed within the unit in their entirety but subsequently partially eliminated from the unit due to the contraction of the unit. The Act does not call for segregation under these circumstances. The portion of a lease eliminated from a unit plan is not segregated into a separate lease upon elimination. It remains an integral part of the original lease and continues to have the same terms. Therefore, so long as leases A-028078, A-028083, A-028118, and A-028120 lie partially within the Beaver Creek Unit those portions initially within the said unit but subsequently eliminated from the unit will continue coextensively with the said leases.”²²

V. DESIGNATION OF AGENT OR SUB-OPERATOR

The unit agreement provides in Section 8 that except as otherwise specifically provided in the unit agreement, the exclusive right to prospect for, produce, store, allocate and distribute unitized substances shall be exercised by the unit operator. Section 13 of the unit agreement does allow, with the approval of the authorized officer, any operator to drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, unless the unit operator elects and commences to drill the well, as further provided in Section 13 of the unit agreement. Section 13 goes on to provide that any such well drilled by a non-unit operator, if it results in production of unitized substances in paying quantities such that the land may properly be included in a participating area, shall be operated by the unit operator. If such a well obtains production in quantities insufficient to justify inclusion of the lands within a participating area, the well may be operated and produced by the party that drilled the well.

The BLM Draft Manual and Draft Handbook allow designations of agent or sub-operator for limited purposes. A designation of agent from the unit operator must be submitted to the BLM whenever a party other than the unit operator files an application for permit to drill a well on unitized land.²³ This designation is for the drilling and completion of the well only. If the well is completed as capable of producing unitized substances in paying quantities, either the unit operator will take over operation of the well or the designated agent will be named as successor unit operator.²⁴ If the well is completed as a non-paying unit well, an agreement can be made which allows a party other than a unit operator to operate the well. The Draft BLM Handbook states that a designation of agent must clearly state who has authority to operate the well, once

²¹ *Marathon Oil Co.*, 78 IBLA 102, GFS (O&G) 45 (1984).

²² *Id.* at **4.

²³ Draft BLM Manual Section 3180-Unitization (Exploratory) Section .12(K.).

²⁴ *Id.*

completed.²⁵ If a well is completed as a non-paying unit well and a party other than the unit operator is designated to operate the well, the unit operator will remain ultimately responsible for all legal and regulatory obligations related to the operations, as long as the well is located on land considered committed to the unit agreement.²⁶ The Draft BLM Handbook includes a model form for a designation of agent.²⁷

The Draft BLM Handbook states that designations of a sub-operator will not be accepted or approved unless it is the only way to (1) allow operations in a unit involving special projects or operating techniques that could be handled more appropriately by a party other than the unit operator; or (2) prevent the premature termination of a unit agreement or the abandonment of marginal production.²⁸ This section goes on to provide that in extreme cases, the authorized officer may accept certain unit work to be performed and reports filed under the unit operator's name by a non-unit operator. The Handbook makes clear that this is considered as work performed by the unit operator and does not relieve the unit operator of any obligation or responsibility under the unit agreement. The BLM has allowed a unit operator to designate another committed working interest owner to operate one or more participating areas.²⁹

VI. CONCLUSION

Plans of development and summaries of operations are a required filing under the unit agreement. They show the past year's activity and next year's planned activity. The unit agreement, Draft BLM Handbook and Draft BLM Manual set out the items to be covered in the plan of development and summary of operations.

Unit expansions or contractions may be initiated if the unit needs to be expanded or contracted to accomplish the purposes of the unit agreement. Thus, they are driven by the geology of the area. The unit agreement and Draft BLM Handbook set out the procedure for expanding or contracting a unit (other than automatic contraction).

Automatic contraction of a unit usually occurs five years after the effective date of the initial participating area, and the unit contracts so that the only lands that remain in the unit are the 40-acre parcels, some part of which are included in a participating area. The five year automatic contraction date can be extended under certain circumstances as provided in the unit agreement.

Designations of agent or suboperator are allowed in limited circumstances. The BLM Draft Manual and Draft Handbook set out the circumstances in which these agreements are allowed and the limitations applicable to such designations.

²⁵ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.V.

²⁶ *Id.*

²⁷ Illustration 2, Page 22 of the Draft BLM Handbook.

²⁸ Draft BLM Handbook H-3180-1-Unitization (Exploratory) Section II.W.

²⁹ Gregory J. Nibert, T. Calder Ezzell, Jr. and Mona L. Binion, "'We Know What it Says But How Does it Work' – Practical Solutions to Tough Operational Questions Under the Form 2 Unit Operating Agreement", 54 *Rocky Mt. Min. L. Inst.*, § 23.08[2] (2008).