

PRODUCTION SHARING AGREEMENTS

The General Land Office (GLO) will enter into Production Sharing Agreements (PSA) and similar type agreements if they are found to be in the best interest of the State. The procedure for obtaining GLO approval is to submit **two original copies** of the proposed PSA and the \$500.00 processing fee. The submittal letter for the PSA should reference the State Lease number (MF #) for any State Leases involved, and the GLO unit number for any units, if applicable. Please include the appropriate **GLO Signature Block Page** as an attachment to the PSA.

If GLO staff determines that the PSA is in the best interest of the State, the PSA will be recommended for approval before the School Land Board (SLB). The SLB must approve a PSA if it includes a mineral or royalty interest dedicated to the **Permanent School Fund (PSF)**. Once approved by the SLB the PSA will be signed by the Commissioner or Chief Clerk/Deputy Commissioner and returned to the applicant. Use *GLO Signature Block Page – PSF with SLB Certificate*

If the PSA is for a **Highway Right-of-Way (HROW)** lease or pooled unit that only includes HROW mineral or royalty interests, the PSA, if found to be in the best interest of the State, will be submitted directly to the Commissioner or Chief Clerk/Deputy Commissioner for execution and then returned to the applicant. Use *GLO Signature Block Page – HROW Unit/Leases Only*

The GLO should be provided with a recorded copy of the PSA once it is filed of record, or a fully executed copy, if the PSA is not going to be filed of record.

After a Sharing Well is drilled subject to the terms of the PSA, the GLO must be provided with the Final As-Drilled Plat, Allocation Factor, Horizontal Drainhole Area, and other pertinent information. All supporting documents must be received 15-business days before the RRAC reporting deadline. (5th of month for Oil wells/15th of month for Gas wells)