



# Best Practice for Managing Information at the Time of Asset Sales

## Guidelines

April 2020

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## List of Abbreviations & Glossary of Terms

Abbreviations	Definitions
BGS	British Geological Survey
Change of Control	The acquisition of one company by another, typically through change in ownership of more than 50% of the voting capital of the acquired company. Changes in control are distinct from asset sales, as during a change of control, the company that owns the asset does not change. Instead, it is the company itself that changes hands. Accordingly, a Change of Control does not require a change to the list of companies on a licence, does not trigger a licence event, and no ISP is required. See also Transfer of Rights.
Commercial Code of Practice	Refers to the UK Continental Shelf Oil and gas Industry Licence-holder Commercial Code of Practice
Completion Date	The date on which all the paperwork is signed / executed that actually effects the transfer of legal and beneficial interests / ownership rights.
Conditions Precedent	Those conditions which must be met before the Completion Date.
CP	See Conditions Precedent
Data Room	A physical or virtual location in which information related to the asset for sale is made available in confidence to prospective buyers.
Due Diligence	The process by which the buyer investigates the records of the seller to support its value of the asset being purchased through the SPA
Economic Date	See Effective Date
Effective Date	The date from which stipulated legal and beneficial interests / ownership rights are valid (or 'effective'). Sometimes called the Economic Date.
Execution Deed	The First Annex to Schedule 2 of the Master Deed or an alternative document substantially in the same form.
Exploration Licence	A Licence issued under §3 of the Petroleum Act 1998 granting the holder the right to explore for, but not to bore for or to get hydrocarbons. Exploration Licences cover the entire UKCS, and are typically used to acquire seismic data outside the area covered by a Production Licence, often, but not exclusively for commercial licensing. See also Production Licence.
Heads of Agreement	An outline of the principal non-standard terms to be included in the SPA.
Information	Information, data, documents and records whether physical (e.g. cores, samples, paper, film) or digital (whether held on media, within computer networks, the 'cloud' or similar).
Information Memorandum	A document detailing the asset(s) for sale and related statutory information.
IPR	See Intellectual Property Rights

Abbreviations	Definitions
<b>Information and Samples Coordinator</b>	An individual, appointed by a ‘relevant person’ (typically, a Licensee, but also includes infrastructure owners, amongst others) who is responsible under §35 of the Energy Act 2016 for monitoring their organisation’s compliance with their information and sample obligations. The name and contact details of the ISC must be shared with the OGA. The ISC is the main contact point for the OGA’s Information and Samples team for that organisation.
<b>Information and Samples Plan</b>	A Plan that must be agreed with the OGA before certain licence events occur. The Information and Samples Plan sets out what is to happen to the associated information and samples following the event.
<b>Intellectual Property Rights</b>	The rights attached to “a product of the intellect” that has commercial value, including copyrighted property such as literary or artistic works, and ideas, such as patents, business methods and processes.
<b>ISC</b>	See Information and Samples Coordinator.
<b>ISP</b>	See Information and Samples Plan.
<b>JOA</b>	Joint Operating Agreement. A contract between two or more collaborating entities that defines roles and responsibilities on a joint venture/license.
<b>Licence Assignment</b>	The consent required from the Secretary of State for any transfer of licence interest (in compliance with the Model clauses attached to each licence).
<b>Licence Area</b>	A description of the area (which either is the asset being sold or in which the asset falls) expressed in terms of a unique production or exploration licence, a licence block, part-block, sub-area or a field determination boundary.
<b>Licence Data</b>	The information about the petroleum related information of the licenced area which (under the terms of the Petroleum Act 1998, and the licences granted thereunder) licensees are obliged to hold
<b>Licensee</b>	Holder of an Exploration or Production Licence.
<b>Master Deed</b>	The deed developed by OGUK, the OGA (and its predecessor organisations) and a number of other interested organisations to expedite the transfer of UKCS offshore licence interests and other agreements relating to associated assets and infrastructure.
<b>Memorandum of Understanding</b>	An informal record, document, or instrument that serves as the basis of a future contract.
<b>NDR</b>	See National Data Repository.
<b>National Data Repository</b>	An internet-facing database operated by the OGA used to store petrotechnical information reported to the OGA by licensees, share that information amongst licensee co-venturers, and disclose that information to the public.
<b>Object</b>	A feature such as a well, seismic survey or piece of infrastructure which is associated with the asset being sold and to which Information pertains.
<b>OGA</b>	See Oil & Gas Authority.

Abbreviations	Definitions
<b>Oil &amp; Gas Authority</b>	An organisation established under the Energy Acts 2015 and 2016 as a government owned company charged with regulating the UK's offshore oil and gas industry, so as to maximise economic recovery of its oil and gas reserves. Also the licensing authority for carbon capture and storage wells.
<b>OGUK</b>	See Oil & Gas UK
<b>Oil &amp; Gas UK</b>	The UK Oil and Gas Industry Association trading as Oil & Gas UK (and formerly known as UKOOA).
<b>OGUK Exploration Forum</b>	The OGUK Forum concerned with exploration matters.
<b>PEARS</b>	Petroleum E-business Assignments and Relinquishment System. Online portal to handle licence assignments, operator approvals, equity interest changes and other licence administration activities.
<b>Production Licence</b>	A Licence issued under §3 of the Petroleum Act 1998 that grants the holder to search and bore for, and to get hydrocarbons. See also Exploration Licence
<b>Responsible Person</b>	In relation to a licence event, a Responsible Person is the legal person (typically, a company, and not an individual) who is or was, the licensee in respect of the relevant licence immediately before the licence event
<b>Samples</b>	Well cores and cuttings, portions of seabed samples and/or cores, and samples of fluids from boreholes penetrating below the seabed.
<b>SPA</b>	Sale and Purchase Agreement
<b>Sale and Purchase Agreement</b>	The legal agreement between the seller and the buyer for the sale and purchase of an asset or assets.
<b>Transfer of Rights</b>	A 'transfer of rights' in a production licence is one of two events that can lead to asset transfers that require information to be exchanged. The transfer of rights is a 'sale' of interest / equity in a licence. When that transfer also involves a change in licence operator (and potentially field operator) then information will be required to be transferred to the new operator. A Transfer of Rights is a licence event that requires an ISP
<b>Transfer Record</b>	The formal record of the information passed from the seller to the buyer in association with the sale, including any material discrepancies (e.g. missing or poor quality information).
<b>UKCS</b>	United Kingdom Continental Shelf. The region around the UK in which the country has mineral rights.
<b>WONS</b>	Well Operations and Notification System. OGA portal system to notify the OGA and apply for consent to drill or conduct other activities on a well.

# 1 Introduction

These Guidelines were originally published in 2006 subsequent to a consultation process involving representatives from OGUK, OGUK members, and the DTI<sup>1</sup>.

This is the third published release of the Guidelines and it is important that OGUK receives user feedback (see Section 5 below).

A List of Abbreviations and Glossary of Terms Used is provided for convenience.

## 1.1 Purpose

The Guidelines set out a generic framework (Section 2) for information management events and actions required to be performed during the sale and purchase of assets, whether through a transfer of rights (and liabilities) in a Production Licence, or through the sale of the company that holds the licence interest itself.

The Guidelines are intended for sellers and buyers alike and offer a common framework for sound and cost-effective information management practices.

In all cases, it is **critical** that both parties involve their respective Information and Samples Coordinators in the planning aspects of the transaction at the earliest opportunity. Information and Samples Coordinators are responsible under the Energy Act 2016 for monitoring the compliance of their organisation with statutory information and sample requirements.

Lack of their involvement in the past has led to incorrect information scopes for transactions, potential delays in OGA approvals, and unexpected, multi-million dollar well liabilities due to misunderstandings of the nature of licence transactions.

If you are unsure who the ISC is in a company relevant to a transaction contact the OGA by email to [ISC@ogauthority.co.uk](mailto:ISC@ogauthority.co.uk).

## 1.2 Principles of the Guidelines

Both parties (seller and buyer) should work together in good faith and in an inter-disciplinary way to reduce the total effort, time and costs involved in identifying, preparing and transferring the information associated with asset sales and to safeguard both parties' regulatory and statutory obligations, as appropriate.

All parties (the seller, the buyer and the OGA) should be aware of the MER UK principles, which set out to enable industry cooperation and maximise economic value to the UK.

The seller and buyer must also be aware of their regulatory responsibilities set out in relevant Acts of Parliament and relating to the activities conducted in fulfilment of their licence activities.

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<sup>1</sup> DTI was a predecessor of DECC and the OGA



### 1.3 Scope of the Guidelines

These Guidelines are designed principally for transactions involving the sale and purchase of UKCS assets which result in the need for information (primarily petrotechnical, engineering and operational data – both physical and digital information) that relates to the assets (Licences, Fields etc.) to be transferred from one party to another. Such transfers occur in two ways:

- 1) A **change of control** where the company in control of the company entity that is the licensee changes; and
- 2) A **transfer of rights** in the licence (which may include a change in the licence operator).

These two types of transfer are explained in more detail later on.

These Guidelines are particularly relevant to transactions in which licence operatorship changes hands. It is generally the operator that assumes (non-exclusive) responsibility on behalf of the joint venture group for the retention and management of the key collections of information for an asset. When the identity of the operator changes then provision for transfer of this key information becomes most critical.

#### 1.3.1 Field and Installation Operatorship

A Field and Installation operator is responsible for the operational aspects of the installations and appointed by the Licence Operator. Whilst a Licence Operator may also be a Field Operator, a change of Field Operator may not be covered by these guidelines.

For further explanation please consult:

<https://www.ogauthority.co.uk/exploration-production/production/field-operatorship/>

### 1.4 Understanding Transaction Types

Assets in the form of fields and licences can only transfer to another party through a ‘transfer of rights’ or a ‘change of control’. The assets (fields / licences) in scope of the transaction are defined by the change in scope of the licence, or by the assets and liabilities that accrue to the company being sold.

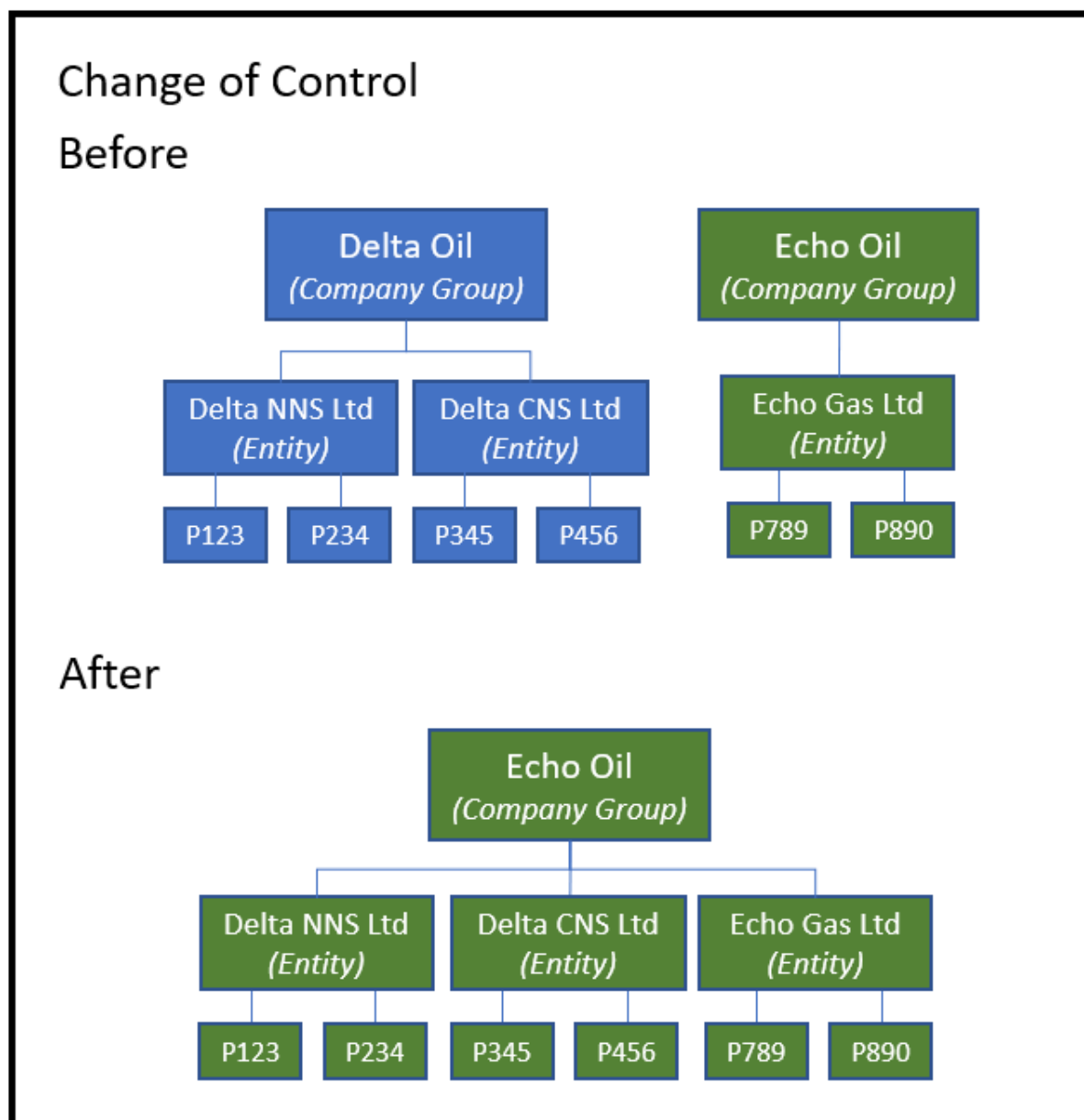
**It is not generally possible to cherry pick what is or is not included.** In particular, all liabilities relating to historic well activity performed on a licence are transferred to the purchaser along with the licence interest and cannot be excluded under a Sale and Purchase Agreement. A company cannot transfer rights in a licence but dictate if one wellbore or another is or is not included.

The following sections describe examples of each type of transaction in more detail.

#### 1.4.1 Change of Control

In the following example, Echo Oil buys Delta NNS Ltd and Delta CNS Ltd from Delta Oil. A change in control of both Delta NNS Limited and Delta CNS Limited takes place. Both entities are acquired by and move under the control of Echo Oil. It would have been possible for Echo Oil to have taken control of just one of the entities: it is not necessary for all entities to be included.

In this example, all assets and liabilities associated with both Delta NNS Ltd and Delta CNS Ltd come under the control of and the responsibility of the Echo Oil company group. No change takes place to any of the Production Licences in which Delta NNS Limited or Delta CNS Limited have an interest, and as a result an Information and Samples Plan is not required.

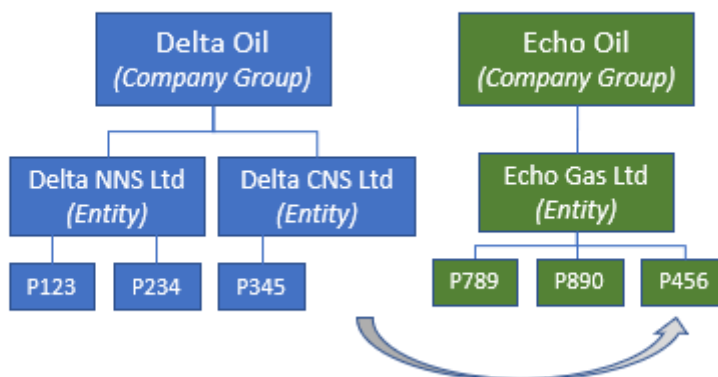


#### 1.4.2 Transfer of Rights

In the example below Delta Oil has rights in four different licences, via two different entities. Echo Oil buys solely the interests of Delta CNS Ltd in licence P456. No change in company ownership takes place.

This represents a transfer of rights under a Production Licence (and is formalised using the OGA's PEARS Application). Accordingly, an Information and Samples Plan is required.

## Transfer of Rights



## 2 The Asset Sale Business Process – a Frame of Reference

### 2.1 Overview

This section describes a generalised (and simplified) four-stage ‘life cycle’ of business processes for a typical asset sale as a frame of reference within which the Guidelines operate.

These four stages are used in The Sale Process.

Sales Process	Seller Activities	Buyer Activities
Sale and Preparation	Identify associated objects	
	Prepare data for Data Room	
	Obtain OGA ISP Checklist, and determine data transfer scope and ISP requirements (if any)	
Bidding and Negotiation	Negotiate division of costs	
	Resolve data rights access/costs	
	Agree close out procedures	
	Co-develop ISP (for transfer of rights); or data transfer plan (for change of control)	
	Send ISP to the OGA for agreement	
Sale Completion	Commence execution of ISP for transfer of rights or commence data transfer for change of control	
Post-Sale Data Transfer	Respond to follow up enquiries	

### 2.2 Stage 1: Sale Preparation and Data Room

Sale preparation is initiated by a decision to sell or to explore the possibility of the sale of an asset.

Sale preparation should include a review of the associated Objects (wellbores, seismic surveys, etc.).

The seller (or the seller’s agent) will often create an Information Memorandum to market the asset.

The seller will usually prepare one or more Data Rooms at various points during the sale process (which may be real and/or virtual and which may include physical and/or digital information).

The information placed in the Data Room is most often a small subset of the total information available. This is done by the seller to avoid overwhelming the buyer with information and usually includes only

that data which are thought to be relevant to evaluating the asset(s) whilst still providing full disclosure. Throughout the Data Room process additional documents and information will be added at the request of buyers to clarify any queries they may have about the sale.

At first the seller may need to review any requirement to obtain consent (from coventurers or third parties) to disclose information to a potential buyer.

The seller will require potential buyers to execute a Confidentiality Agreement prior to providing a copy of the Information Memorandum or permitting access to the Data Room.

The seller may host 'Q&A' sessions and various Management Presentations to prospective buyers and these may include the provision of additional information in various forms.

If commercially licensed data are being used in the Data Room the seller is required to gain permission from the licensor to display the data and understand if there are restrictions on any potential buyer taking images of this data. The seller should also make the buyer aware of the licensed data and make them aware of any uplift that may be associated with the sale should they have to purchase the licensed data. The exact uplift is a matter for the buyer and the licensed data owner to agree and is not a matter the seller could assist with.

The Data Rooms remain open for a given period of time.

If there is a transfer of rights in a licence<sup>2</sup> the seller's Information and Samples Coordinator (ISC) will be required to draft an Information and Samples Plan (ISP). This will typically focus on subsurface information, as set out in the ISP Checklist [see Appendix A]. The actual scope of data transferred is likely to be far greater than that set out in the ISP, and also far greater than that made available in the Data Room, as information relating to legal and commercial agreements, the design, construction and operation of the infrastructure, amongst other matters, is not typically included in ISPs.

As a regulatory instrument, the ISP will also bring into focus the current level of compliance by the seller with reporting requirements, as it will be expected to include detail on any information and samples held by the seller that have not yet been reported to the OGA. Information not yet reported represents outstanding regulatory obligations, whether to current or legacy wellbores and surveys and accountability for discharging those obligations must be agreed between buyer and seller, and the OGA.

## 2.3 Stage 2: Bidding and Negotiation

The seller will receive and review indicative bids from interested buyers by a given deadline. The Data Room is often available up to this deadline.

A pre-qualifying non-binding bid is occasionally required by a potential buyer to be able to proceed to the next stage of sale.

During the sale process the seller will issue a summary Information Memorandum on the asset(s) and this will be followed by a letter detailing the bid process and any deadlines.

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<sup>2</sup> An ISP is only required for a transfer of rights. It is not required for a change of control.

Procedures vary, but a selected bid would tend to crystallize after an initial negotiation period on any liabilities, future uplift and back cost payments of the buyer.

A draft Sale and Purchase Agreement (SPA) is usually supplied by the seller and would generally be supported by the seller's procedures for offer.

The parties may proceed directly to a SPA or the initial sale terms may first be agreed and recorded in a Heads of Agreement, a Memorandum of Understanding or in a non-binding proposal letter.

The SPA is negotiated, agreed and signed (executed). The SPA will include a full listing of the data Objects that are to be provided, including wellbores, seismic surveys, and other information associated with a licence (for a transfer of rights) or company entity (for a change of control). It is at this stage that confusion can sometimes arise regarding what can and cannot be included or excluded from the Agreement, and the expertise of the Information and Samples Coordinator is essential.

For example, liabilities associated with fully abandoned wellbores (those in the AB3 status in the OGA's WONS system) always transfer with the licence interest, along with interests in all other wells drilled on the licence. This cannot be agreed otherwise through the SPA as the association of wellbore with licence cannot be changed. On occasion, this error has led to costly surprises once the SPA has been executed, and the disposition of wellbores set out in the SPA found to be in disagreement with that set out under the licence.

Where the history of a licence is long or complex, ISCs of the buyer and seller are advised to contact the OGA as soon as possible to determine the exact scope of wellbores and surveys in scope of the transaction, and hopefully avoid any future confusion or costly mistakes.

## 2.4 Stage 3: Sale Completion

There is usually a period of a few weeks or months between signing the SPA (the signature date) and the actual legal date on which the asset changes hands (the Completion Date).

The SPA includes a reference to an Effective Date (a date typically falling before the signature date). During the period between the Effective Date and the Completion Date the seller is required to notify the buyer of any material changes in relation to the asset being sold. During this period too, the seller passes crucial operational information to the buyer.

The seller gives notice of the sale transaction to its co-venturers to obtain the consents required under the Joint Operating Agreement (JOA) and prepares completion documentation for circulation for approval to the buyer and to other parties including existing licensees and the OGA.

### 2.4.1 Developing and Agreeing the Information and Samples Plan

If the 'event' is a 'transfer of rights' an Information and Samples Plan must be submitted to the OGA **and agreed** ideally before the Effective Date, and certainly prior to the Completion Date, as per the requirements of the Energy Act 2016.

The ISP should be submitted to the OGA by email to [ISC@ogauthority.co.uk](mailto:ISC@ogauthority.co.uk), following the process set out in the OGA's Guidance on Information and Samples Plans (see Glossary). A reference number will

be provided shortly after the PEARS licence event has been raised. The OGA recommends that the ISP is agreed by the Effective Date of the SPA, as although it is possible for the Effective Date and the Completion Date of the SPA to be some months apart, it can be much less than that.

If the transaction is completed before the ISP is agreed, the seller may have breached clause 31(2)(a) of the Energy Act 2016, thereby exposing itself to the risk of OGA sanctions.

ISPs are only required for certain licence events as set out in the Energy Act 2016. These include a transfer of rights in a licence, but do not include a Change in Control of the licensee. In either case, it is highly recommended that both parties (buyer and seller) contact the OGA's Information and Samples Compliance Team ([ISC@OGAauthority.co.uk](mailto:ISC@OGAauthority.co.uk)) to discuss their change of control as this will allow them to benefit from many past lessons learned, and avoid common pit falls.

This should be done as soon as practically possible, to confirm, amongst other matters, the exact list of wellbores and seismic surveys in scope of the transaction, as this is an area where misunderstandings and errors frequently arise.

Any licence events resulting from the transaction must be completed using the OGA's PEARS system. If there is any uncertainty regarding who should complete the transactions in PEARS, or how to accomplish this, the party should contact the PEARS team at [approvals@ogauthority.co.uk](mailto:approvals@ogauthority.co.uk).

#### 2.4.2 Change of Control

If the transaction represents a change of control, the OGA commercial team will engage with the buyer to consider the matter of a 'Letter of Comfort' from the Secretary of State to the buyer to provide assurance that the government's powers under the Model Clauses to the Petroleum Act 1998 to require a further change of control will not be used.

#### 2.4.3 Completing the Sale

During the period between the Effective Date and the Completion Date, the buyer will conclude the due diligence process (which involves validating the financial, operational and other statements made by the seller with respect to the asset<sup>3</sup> being sold) and which will not conclude until all the Conditions Precedent are met and the deal is completed.

It is usually during this period, once all Conditions Precedent have been met, that the consideration (payment) is made by the buyer to the seller (however the arrangements for the timing of the payment vary considerably and may include post completion adjustments, staged payments and a variety of other negotiated settlements).

The completion documentation usually comprises an Execution Deed (in accordance with the Master Deed – see <http://www.logic-oil.com/master-deed/documents>) and any other documentation required to effect the formal transfer of the asset (e.g. transfer of operatorship agreement and the trust deed).

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<sup>3</sup> There are only 2 types of Asset. A "licence" (rights in the licence transfer via a 'transfer of rights' in the licence), and a "company" (control of the company (the licensee) changes and hence the object(s) the company owns and/or is responsible for also changes).

When the transaction completes, on the Completion Date, the seller should contact the OGA to enable the OGA's information on company ownership to be updated, and the revised Company Group information to be updated in the Energy Portal.

This information is then automatically transferred to PEARS, WONS, and other OGA Energy Portal applications. Sellers and buyers should also review their information in the NDR to ensure ownership of wellbores, seismic surveys, infrastructure and other data types in scope of the transaction are correct. Changes in ownership of such Objects are a complex matter involving knowledge of relevant licences and the SPA, and their transfer from one party to another cannot reliably be automated.

## 2.5 Stage 4: Post-Sale Information Transfer

The execution of completion documentation triggers a complex series of events. A simplified list of basic steps is below, but it may be more comprehensive and vary based on whether the sale is a transfer of rights or a change of control.

- 1) Certified copies of the sale documentation are circulated to the relevant parties.
- 2) The OGA is informed of completion and any other tasks required to be done by law, regulation, code of conduct, under the SPA, etc.
- 3) Information and/or data transfer is arranged and undertaken as agreed in the ISP in the case of a transfer of rights, or in the SPA or Information Memorandum in the case of a change of control
- 4) OGA data systems such as the WONS database (for well data) are updated. It is prudent to send the WONS team at the OGA a list of the wellbores that are affected by the changes so that ownership can be correctly assigned. They can be contacted by email to [wons@ogauthority.co.uk](mailto:wons@ogauthority.co.uk). The listing should be that agreed between the buyer, seller, and the OGA earlier in the process, and as set out in the ISP, if one was required.
- 5) The NDR must be updated to ensure ownership of all related data and entitlements are correct based on the new ownership arrangement. Data ownership is a complex matter often subject to specific requirements in the SPA, and hence data ownership changes cannot reliably be automated.
- 6) Consideration should also be given to the transfer of physical samples and records – including geological samples (cores, cuttings, fluids), physical paper records, and records stored on digital media such as magnetic tapes.



### 3 Information Selection and Associated Issues

This section describes the recommended approach to be taken by the seller (and in some cases the buyer) to determine what information is relevant to the asset being sold and to identify any possible associated issues.

In many cases this information is included in the Information Memorandum.

#### 3.1 Preparatory Steps

In any transfer of assets, two preparatory steps can have a tremendous, positive impact on the efficiency, completeness, and accuracy of the associated transfer of information and samples.

First, it is **critical** that the Information and Sample Coordinators of the buyer and the seller are involved in the transfer process as early as possible. This helps to ensure that the information scope set out in the Sale and Purchase Agreement is correct and avoids misunderstandings and confusion down the line.

Second, ISCs from both buyer and seller are strongly encouraged to contact the OGA Information Management Team as early as possible in the process, so that:

- 1) The list of wells, surveys, and other Objects in scope of the transfer can be clarified – particularly to ensure that ongoing liability for wells drilled under a licence is crystal clear; and
- 2) To obtain the **latest versions** of the relevant ISP Checklist and Templates. These documents are updated frequently, and the Templates are specific to the type of transfer being undertaken. It is important that the most recent versions be consulted and used when submitting an ISP for approval.

#### 3.2 Spatial Definition of the Asset

The seller should provide a map(s) at the appropriate scale showing the boundaries of the asset(s) being sold. This will have been included in the Information Memorandum along with the coordinates, but it must also be included in the ISP, where this is required, to avoid any confusion as to the areal extent of any data included, particularly seismic data. Map requirements are specified in the ISP Checklist and Templates.

The seller should provide a set of co-ordinates (specifying the applicable datum and projection) that identify the boundary of the polygon (or polygons) bounding the asset/licence.

The spatial description of the asset being sold must correspond to a recognised Licence Area (a unique licence block, part-block, sub-area or a field determination boundary). It is not sufficient for example simply to identify the asset by a field name. It is the licence interest being sold that contains the field, so there may be some ambiguity as to the spatial extent of the asset transfer if it is identified by the field name alone.

Since many obligations to the OGA are attached to a specific Licence Area, it is crucial that the area is correctly and accurately identified. [See Appendix A]

### 3.3 Change of Control or Company Sale

In the special case of the sale of an entire company there will be liabilities which are difficult to map as they can be outside current extant licences, are associated with determined (expired) licences the company has an interest in and may include data assigned to former operators. In this case the data cannot easily be shown on a map, but the liabilities should be listed in the Information Memorandum.

One recommended way to do this in certain cases is to list the company entities involved in the transaction, including their company number from Companies House, and any former names that the company may have been known as.

### 3.4 Defining the Objects Associated with the Licence Area

The seller should create a list of the following ‘Objects’ that belong directly to the Asset/Licence Area being sold. This should be a list of all data generated as a result of the licence activity and will include:

- a) Wellbores
- b) Seismic surveys
- c) Surface and sub-sea Infrastructure
- d) Pipelines
- e) Other licence data (including multi-well studies and field reports)
- f) Other Objects

A small subset of these Objects will form the Data Room. Often not all available data are placed in the data room, as it can be overwhelming and take away from the points the seller wishes to make. However, the list should be created as part of the ‘data transfer project’ so that the buyer can understand:

- a) what would be transferred with the sale;
- b) what the buyer would not be entitled to receive without licensing the data; and
- c) what storage obligations would be placed upon them.

The seller should provide sufficient details for each of the Objects listed (including geographic coordinates) to enable them to be identified unambiguously.

Appendix B: Objects List suggests the minimum attributes of wellbores, seismic surveys and other Objects that should be provided by the seller.

The seller must remember that a wellbore is not necessarily related to the Licence Area simply because it is spatially located within the Licence Area. Any wells drilled under an older licence which happens to underlie the Licence Area in question are associated with that older licence and would be excluded from the sale (since neither rights nor obligations would apply to the seller). However, ongoing liability for plugged and abandoned wells drilled under the licence does transfer to the buyer as part of the sale, and this should be recognised in the terms of the SPA.

Whilst it is reasonably straightforward to establish which wells are associated with the Licence Area this unfortunately is generally not the case for seismic surveys. Practically, the seller must above all establish that it does indeed ‘own’ the surveys to be included in the asset sale and then must ensure that the

transfer of the ‘ownership’ of such surveys (and by implication, the obligations for the preservation and release of such surveys) is recorded in National Data Repository as having been passed to the buyer.

Particular care must be taken with regard to merged surveys that can take data from multiple sources, including data provided under licence from commercial seismic companies. The rights and obligations of the seller and buyer relating to any commercial seismic data included in the transfer must be clearly spelled out, to ensure that the rights of the commercial seismic company themselves are respected. Further detail on this is provided in §3.10.

### 3.5 Information Types Included with the Sale

The parties should agree the broad scope of the information that will be associated with the sale by completing a copy of the Information Checklist (see Appendix B).

### 3.6 Information Types Excluded from the Sale

The seller should advise the buyer of any significant information that would be excluded from the sale without the buyer licensing it or participating in agreements.

### 3.7 Media and Formats

For the significant information types (for example seismic tapes) the parties should agree media standards in which the information will be made available to the buyer (using Appendix B as a checklist), including the use of online transfer of information, where practical.

The parties will agree on the file formats of significant digital information types (using Appendix B as a checklist).

The OGA has published specific guidance regarding the ‘form and manner’ in which information should be reported to it (see Bibliography). This includes specific instructions on the type of magnetic tapes that may be used to report larger seismic survey volumes, and requirements to use the storage capacity of those tapes efficiently.

Where seismic or other data is held on media that doesn’t conform to the OGA’s reporting standards, or is otherwise approaching end of life and requires remastering, then prior to the sale both parties should agree whether the data should be remastered, and if so, by which party, and at whose cost.

### 3.8 National Data Repository

The NDR provides a very efficient mechanism for the transfer of key well and seismic data between the seller and buyer, as this can be performed simply through a change in data security entitlements, rather than requiring the data to be physically transferred between the parties.

Loading of data to the NDR has other benefits also, as this enables the reporting obligations of the parties to be fulfilled, a view of completeness against outstanding reporting obligations to be

determined, and also provides relief from the parties' obligation to retain a copy of the data themselves, as long as the data is loaded and reported in the correct form and manner.

### 3.9 Catalogues of Information

It may not always be practical for the seller to provide a complete catalogue of the information being passed across with the sale however the seller must advise the buyer of the extent and quality of the catalogues available.

The parties will agree on the extent and format of the catalogue information to be made available with the information passing with the sale.

There is no requirement to use a specific template to list the information and types of data and one standard template would not be suitable for all licence transfers or information and sample types. The OGA should be consulted regarding the correct ISP template to use for the type of licence event in question. This would normally be provided on request, or by the OGA as a matter of course when the associated licence event is raised in PEARS.

It is possible that the seller may agree to hold on to certain information and samples on behalf of the buyer, either for a set period, or permanently. For example, the buyer may not, at the time of purchase, have facilities available to accept and steward certain physical samples, and a delay in transfer may be appropriate to avoid double-handling of fragile materials.

In this case, it is important that the OGA is also aware of the arrangement (either through the ISP, or via informal discussions) so that the longer-term risk of loss of access to the information and samples can be considered and properly mitigated.

### 3.10 Information Rights

The continuing rights to the information passed with the sale (if any) should be agreed between the parties within the terms of the SPA.

It is recommended that the seller establishes clear provenance for all and any information to be included with the sale and notifies the buyer in advance of any rights held by third parties to any information (this matter is usually covered by warranty and indemnity provisions in the SPA).

By way of example, the provenance of seismic data may include one (or more) of the following methods of acquisition by the seller:

- a) directly, as an operator or co-venturer in a production licence;
- b) directly, under an exploration licence;
- c) as 'courtesy' data from another licensee;
- d) under licence as 'spec' data from a seismic contractor;
- e) under licence from another licensee via the historic OGA/OGUK Seismic Data Release Guidelines;
- f) obtained from the NDR as disclosed information;
- g) from another licensee as part of a seismic trade/exchange;
- h) as part of a Group Shoot; or

- i) by other or unknown means.

The picture for other data types can be similarly complex and the parties must be absolutely clear that the seller, either has the right, or the buyer subsequently obtains the right, to enable the buyer to pass on the data with the sale, without breaching any third party IPR.

### 3.11 Missing and Poor-Quality Information

It is inevitable in many cases that the seller will be unable to locate information which ought to be passed to the buyer at the time of sale. Similarly, some information will prove to be of poor quality, perhaps even to the extent that it is unusable.

It is recommended that both parties agree on how such eventualities will be addressed, including the following specific undertakings:

- a) an undertaking by the seller that it will use its reasonable endeavours to trace any missing or poor-quality information from other sources (affiliates and co-venturers for example);
- b) an undertaking by the seller that it will pass to the buyer any relevant information which comes to light, post-sale; and
- c) an undertaking from the buyer that it will return any information received in error with the sale.

It is recommended that this is also addressed as part of the ISP. Note that the OGA will not agree to setting a time limit beyond which the seller's obligation to locate missing information expires, but an acknowledgement that all due efforts and diligence have been applied will help the buyer with any future transfer of the data.

No formal arrangement exists whereby a licensee can advise the OGA that it is unable to meet its obligations with respect to Licence Data owing to the data being missing. However, the following approach has been discussed with the OGA representatives and has been accepted in principle. It is provided here for guidance purposes:

- a) The seller will identify (all) previous asset (licence) owners. The NDR and the OGA can help trace these companies if necessary;
- b) Previous licensees will be requested by the seller to use reasonable endeavours to locate the data concerned. If necessary, the request to previous licensees can be escalated through the OGA;
- c) Other possible sources of the missing data will also be explored by the seller (with OGUK, the NDR and the OGA help, on request), including:
  - a. The BGS's hardcopy collection in Keyworth, Nottinghamshire;
  - b. The Data Release Agents;
  - c. Well and seismic trade partners; and
  - d. The OGUK member community at large.
- d) If found, these parties will be asked to agree to pass (a copy of) the missing data to the seller (or the buyer, as appropriate); and
- e) If all attempts to locate the missing data fail, then after a reasonable time, the data will be deemed permanently 'lost' but the seller (and buyer) will agree to keep a watching brief in case the missing data resurface at some point in the future.

- f) The OGA may acknowledge that the data are currently missing, and that all reasonable efforts to locate them have been made.

### 3.12 Obligations for an ISP

Section 31 of the Energy Act 2016 requires the preparation and agreement of an Information and Samples Plan when a specified licence event occurs.

The seller, and on becoming a licensee, the buyer are also required by §35 of the Energy Act 2016 to appoint an Information and Samples Coordinator through whom ISP discussions between the parties, and with the OGA should be focussed. If the buyer has not yet been required to appoint an ISC, then it is advisable that this post is filled as soon as possible in the sale process, to ensure a smooth transfer of information and samples.

For GDPR reasons, no public register of ISCs is available, but it is typically straightforward to identify the relevant ISC through normal seller-buyer communication. That said, if either party has difficulty in establishing the identify of their ISC, or the ISC in the other party, they should contact the OGA for assistance.

It is a legal requirement (per §31 of the Energy Act 2016) that the ISP must be agreed with the OGA before the associated licence event occurs. Often this timeframe is short so it is prudent to engage as soon as possible with the OGA regarding ISP requirements for the particular licence event, and to start drafting the ISP early in the SPA process.

Equally, both parties need to be clear about the extent to which such obligations pass to the buyer or remain with the seller in connection with the sale. The key obligations to OGA which will pass from the seller to the buyer with the asset sale which will be documented in the ISP include:

- a) The retention (in perpetuity) of all Licence Data associated with the asset (unless uploaded to the NDR and retention relief is granted – see Section 3.7 for advice on retention);
- b) The retention (for the prescribed period) of Samples associated with the asset;
- c) The provision to OGA of Licence Data and Samples associated with the asset acquired during the license period of the seller. In the case of existing data on the asset the previous owner will have been obliged to supply to the seller;
- d) The maintenance of well headers on WONS for those Objects associated with the asset (in accordance with PON9 and the Energy Act 2016);
- e) The maintenance of seismic survey headers on the NDR for those Objects associated with the asset (in accordance with PON9 and the Energy Act 2016);
- f) The maintenance of Infrastructure summary information held on the NDR for those items of infrastructure in scope of the asset sale
- g) The public disclosure ('release') of release-age seismic data through the NDR;
- h) Compliance with any relevant aspects of the Infrastructure Code of Practice ('ICOP') for those infrastructure Objects associated with the asset; and
- i) Compliance (where appropriate) with the Fallow Process and various other industry processes and initiatives, whether mandatory or voluntary in nature.

The seller and the buyer must be clear as to whether any obligations to the OGA for wells or seismic surveys associated with relinquished parts of the Licence Area remain with the seller or are passed to the buyer. It is difficult to state a general rule for such cases since much depends on precisely what Licence Area is being sold implicitly (or explicitly) with the asset(s) in question.

The SPA (or processes and procedures set out in the SPA) should identify where licence obligations to the OGA lie with respect to any information that is not passed to the buyer either because it is overlooked, unavailable or lost.

These Guidelines recommend that the seller and the purchaser jointly advise the administrators of the NDR of the Objects being passed from the seller to the buyer with the transaction. This can be achieved by providing a copy of Appendix B together with: (a) details of the parties involved; and (b) the Effective Date of the transfer.

## 4 Managing the Transfer Process

### 4.1 Planning the Transfer of Information

It is acknowledged that there are sensitivities and matters of commercial confidence involved in the sale and purchase of most assets. It is recommended however that both parties involve their respective ISCs in the planning aspects of the transaction at the earliest opportunity. The ISC will then decide if IM specialists are required and coordinate the work.

As soon as possible, the parties should agree a prioritized programme of information transfer and should work together to identify any issues to be resolved.

The scope of the discussions between the seller and buyer should include the negotiation and agreement of the following matters:

- a) agreement and a mutual understanding of the Licence Area in question and the Objects that pertain;
- b) any significant media and format issues;
- c) the extent to which information catalogues will be made available and their form;
- d) transfer of access rights in lieu of physical transfer;
- e) checking procedures and party roles;
- f) procedures for dealing with missing and poor-quality information;
- g) any regulatory matters relating to the information that may arise from the OGA and the steps to address them;
- h) any continuing rights the seller wishes to retain in any of the information being transferred; and
- i) the division of costs associated with the transfer of information between the parties including costs associated with re-mastering data and finding missing data.

The parties need to recognize any situations where there will not be a physical transfer of information but instead access rights (or entitlement) will be transferred from the seller to the buyer:

- Transfer of digital well information may be completed via the NDR but procedures for completeness checking and change of ownership need to be followed and should not assume that all data are present in the NDR at the time of transfer.
- Many companies store their hardcopy data, tapes and physical samples offsite with a commercial provider. Regardless of whether or not there is a physical transfer of this material from the seller to the buyer, both parties should agree between themselves and with the storage provider on the list of the material related to the sale.

Both parties also need to ensure that the correct commercial agreements are in place between the buyer and the receiving storage provider and that the timing of the transaction is agreed with all parties concerned.



## 4.2 Close-Out of Information Transfer

When an ISP is agreed with the OGA, the “responsible person” – the seller – must comply with the plan. The onus is then on the seller to provide all information detailed in the plan to the buyer.

The consequences of any discrepancies in the information transferred would be subject to the terms negotiated and agreed in the SPA that is executed.

The seller should agree with the buyer a formal close-out process to reconcile information received by the buyer against that expected from the seller as part of the sale.

It is recommended that data transmittals are used for every batch of data transferred and held by both parties. This is to avoid complaints and confusion that data has not been transferred.

The seller and buyer should agree terms under which the seller will be required to respond to any follow-up enquiries from the buyer for a specified period, post the close-out date.

## 4.3 Liability for Costs

It is not the intention of these Guidelines to stipulate where liability for costs resides - this is a matter for the SPA - however the Guidelines do urge the parties to agree on the allocation as early in the process as possible.

## 5 Feedback on the Guidelines

The relevance of these Guidelines, and their continuous improvement, depends upon feedback on their use from the experiences of sellers and buyers (both positive and negative).

Some prompts for users' comments and observations have been provided below:

- a) Are the Guidelines clear or are some areas vague, ambiguous or contradictory?
- b) What are the principal strengths of the Guidelines and their greatest value to you?
- c) For which type of asset sale do you believe the Guidelines to be most effective and relevant (for example: producing assets; sales involving change of operatorship; older assets).
- d) For which type of asset sale do you believe the Guidelines to be the least effective?
- e) Do the Guidelines help you to understand better your obligations (whether as seller or buyer) to the OGA with respect to Licence Data? If so, what benefits do you see for your company?
- f) In what ways does the compilation of a List of Objects using the Information Checklist (Appendix B) help or hinder the sale process from the perspective of: (1) the seller; and (2) the buyer?
- g) What are your experiences (whether as seller or buyer) of using the ISP Checklist (Appendix A) and Information Checklist (Appendix B)? Are they useful? What level of detail do you believe is most relevant?
- h) On balance, do the Guidelines have a net positive or negative effect on the efficiency of the overall asset sale process in your company?

Comments, queries, and observations regarding these guidelines may be sent at any time by email to Oil and Gas UK via [info@oilandgasuk.co.uk](mailto:info@oilandgasuk.co.uk)

These guidelines intend to provide assistance with Information Transfer only. Feedback on regulatory matters should be directed to the OGA, by email to [ISC@ogauthority.co.uk](mailto:ISC@ogauthority.co.uk).

## A ISP Checklist

The following is an example of the checklist provided by the OGA to Information and Sample Coordinators, to support them in the creation of an Information and Samples Plan, associated with the Sale and Purchase of an interest in a UKCS Production Licence.

**The OGA must always be contacted prior to commencement of work on an ISP to ensure the most up to date checklist and ISP template are used.**

### A.1.1 Introduction:

An ISP is a 'plan' regarding what will happen to Information and Samples following a licence event.

There are two different types of licence event:

- Determinations: Surrender, Expiry or Revocation – where the licence is coming back to the OGA. The focus is on ensuring data has been compliantly reported
- Transfer of Rights: Where rights in the licence are being transferred from an existing licensee to another party. These events vary depending on a number of factors, but where the 'recipient' is a new licensee and/or where the 'licence operator' is changing, the risk of information and sample loss, is greater, so a more comprehensive ISP is required. The focus is on ensuring all information and samples, subject of the licences concerned are transferred to those continuing with the licence activities. (NB: A licence event may have a different scope to a wider Sale and Purchase Agreement)

### A.1.2 Purpose

The purpose of this check list is to enable 'responsible persons' to submit an ISP that is more likely to be agreed by the OGA.

This checklist should be used in conjunction with the published guidance and further guidance, advice and information contained within templates. Templates are provided when licence events are submitted to PEARS and will be specific to the particular event.

### A.1.3 The Basics

All ISPs should start off by very clearly determining what the licence event is.

- Which licences?
- Which blocks (sub-areas) within those licences? (licences can be complex, over many widely dispersed blocks / part blocks. They can have stratigraphic splits (one sub-area above a certain depth, another below)
- When a determination (surrender / expiry) - is it the full licence – or part licence (a sub-area or part of a block / sub-area)? – in which case exactly which part?
- When a 'transfer of rights' – which parts (geographical) are being transferred – to who? What % of equity?
- Is the Licence (Sub-Area) Operator changing?

- Which fields (producing or post production), discoveries, wellbores, seismic surveys are subject of the event?
- Which, wellbores, surveys, fields might easily be assumed to be subject of the event but are not? (see below regarding wellbores) – addressing potential confusion, helps convey that due diligence has been done and assumptions have not been made.

A clear description of the 'licence event' should be included in the ISP covering all the above. The focus is on the **licence event** and not for example (in the case of a transfer of rights) focus on the contents of a commercial agreement between two or more parties. Nor should the ISP focus on any 'fields' (Field operatorship or unitisations) (i.e. it is an ISP covering licence PXXX and not XXX Field or XXX Discovery).

## A.2 The Check List:

The following is a checklist that should be used to prepare an ISP. Prior to submitting the ISP, this list should be systematically checked to ensure all points have been conformed to.

### A.2.1 File and email naming conventions

- Do the file names (of the ISP and accompanying letters, listings etc.) use the ISP reference number (and optionally the licence number(s))?
- Does the subject of email correspondence sent to [ISC@OGAuthority.co.uk](mailto:ISC@OGAuthority.co.uk) reference the ISP reference number?

### A.2.2 General (within ISP)

- Have I clearly described the licence event in a way that those not familiar with the event will easily understand the situation? Which licence, block numbers, which sub area, which operator, who the JV partners are and what is happening to the licence?
- I have stated which type of licence event this is – one of the following:
  - Transfer of rights
  - Licence surrender
    - Full surrender
    - Partial surrender
  - Licence expiry
    - Full expiry
    - Partial expiry
  - Licence revocation
- Have I acknowledged if any fields (producing or ceased) or discoveries are involved? Any installations (platforms).

### A.2.3 Boilerplate details

- Have I completed the boiler plate details in the template provided?
- Have I modified the boiler plate, where this is required (added additional rows / columns etc.)?

- Have I added an internal reference number (from my company's ISP process or document numbering system)?

#### A.2.4 Location maps

- Have I provided a clear licence / wellbore location map in line with the template?
  - Does it clearly show:
    - In scope wellbores
      - Wellbore top hole locations that were drilled on the licence
      - Including any that have a top-hole location that is 'outside' the licence area, but a bottom hole within the licence (and will hence likely to have been drilled under the licence in question)
    - Out of scope wellbores (for avoidance of confusion)
      - Wellbore locations geographically within the licence area, but drilled on a previous licence, a neighbouring licence or by a 'field operator' who are not the licence operators (and made visually distinguishable from the 'on-licence / in scope wellbores' on the map)
    - Installation locations (Platforms / Sub-sea tie-back locations etc.)
    - Field / ceased field and discovery outlines
  - Does the map conform to the guidance provided in the template (re scale, orientation, projection, etc.)?
- Have I provided a seismic location map?
  - Does it only show all seismic used in the fulfilment of the licence objectives – identifying the CS-9 name in each case
    - Which seismic is 'owned' by the licensee
    - Which is owned by others (spec companies, other licensees) – Note: Products created from these surveys are subject of the ISP
  - Does it show all propriety seismic acquired on the licence?
  - For clarity, the seismic map should only show seismic relating specifically to the licence not seismic which is out of scope.
  - NB: Confusion exists regarding which licence(s) is associated with a survey – including exploration licences. Due diligence needs to have been done to correctly attribute a survey with the correct licences and subsequently establish if the survey is in / out of scope.

#### A.2.5 Wellbores

- Have I listed all the wellbores subject of the licence event (in the ISP or in a supporting spreadsheet)?
- (For determinations) Have I identified any wellbores not currently at AB3 status – and have stated in the ISP when AB3 status is expected to be achieved (roughly) and what will be done with resulting information and samples and when (i.e. within 3 month of the abandonment) will data related to the abandonment work be reported, following it becoming available. (This

primarily applies to surrenders when the field has recently ceased, but abandonment has not yet been completed)

- Have I avoided use of the term 'P&A' – but instead used AB1, AB2 and AB3 to describe well statuses (P&A is so confusing for historical reasons - though can be quoted if you are stating what the status is within the NDR)
- Have I used the PON12 naming convention for wellbores? All wellbore names should match the current WONS names. Refer to <https://www.ogauthority.co.uk/exploration-production/petroleum-operations-notice/pon-12/>
- Have I committed (by a certain date) to ensuring that all well header attributes are clean and complete in WONS and all notification are complete? (This needs to be done promptly in the case of transfer of rights as the ownership of the wellbore will change when the transaction completes. NB: That change in ownership is instigated by the 'current' owner as soon as practicable possible following the completion of the transaction)
- If there are well ownership changes - I will use the agreed ISP well ownership change list (now in relevant template) to instigate the WONS wellbore ownership change (see section below in the Transfer of Rights section)
- Have I acknowledged any legacy well naming discrepancies – and offered an alias table?
  - Use of R01 on some items
  - Non-consented side-tracks
  - Renamed wells (i.e. an E&A well being renamed as a platform well)
- Have I confirmed, for the AB3 wellbores, that the sea bed clearance certificate and wellbores final wellbore schematics are available (and clarified where they are) – i.e. in the NDR and/or in WONS – and if not when this will be done?
- Where the seabed clearance certificate is not available, what other supporting evidence exists e.g. reports for a contractor detailing the work being carried out.
- Where any remedial work is to be done (well abandonment, work to find missing data) is my plan clear on 'what' further will be done and 'when'?
- Where data is thought to be missing, have I documented what has been done and what will be done to source the data.
  - Existing partners
  - Former licensees
  - Data Release Agents
  - Other data vendors
  - BGS
  - BEIS / HSE / OSD
  - Etc.
- Have I identified wells and / or data types that require remedial work and stated when this remedial reporting will be complete. (You are advised to state a date and then follow up with the OGA when the work is complete and/or on the milestone dates you have set in the ISP)

- Have I checked the data in the NDR and done a sense check (not just stated 'all data in the NDR')
  - reports can be generated that show the number of items reported – this is a rudimentary / early indication of whether reporting is complete.
  - Where items are set to 'not acquired' were they genuinely 'not acquired' (if items were 'acquired' and/or created then the inventory should be changed)
    - Certain documents should not be set to 'not acquired' when clearly this is not true
      - Drilling Programme
      - Site Surveys (open water wells)
      - Core Analysis Report (where core was acquired – evidenced by core photos / info in final well report etc.)
      - Well Proposal
      - Abandonment Report – where well is Abandoned (unless you are sure Abandonment was covered in the Final Well Report or in a wider platform wells abandonment report)
      - Completion Report – when the well was completed (i.e. became a producer / injector)
      - VSP data – where VSP report exists (or vis-à-vis)
      - Etc.
  - Data Item Inventory is not set to 'not acquired' when a document reference exists
  - Digital log files (DWL) have been loaded where they exist – and the existing log file was a tiff image
  - When commenting 'data reporting is compliant' a check against 'the basic set' should be done. (NB: The 'basic set' – is just that – the most basic (minimum) set. It is not a target - it is a starting point! Where other data exists, it should be loaded.)
- Have I made a genuine effort to consider what 'studies' (multi-well studies, single well special studies (i.e. on samples etc.) have been done on the licence and ensured these are available?

## A.2.6 Seismic

- Have I provided a narrative of the surveys identified on the map?
  - Which surveys were acquired 'on the licence', which surveys have been used in the fulfilment of licence commitments, who owns what seismic etc.?
- Have I listed the surveys using their standard CS-9 name? Other names can be used, however the CS-9 name MUST be used when available
- Have I listed all reprocessing done – which surveys used, when done, what products created, location of data sets?
- Availability of original survey data and re-processed data (being retained / in the NDR / with operator etc.)
- Have I acknowledged any restrictions (licenced data) on the surveys and reprocessed products? (Especially relevant in a transfer of rights where the recipient may not have the right to receive the data – or products derived from it)

### A.2.7 Studies

Studies are field / licence wide / multi well studies that cannot be attributed to a single well or seismic survey

- Have I identified what studies have been done (on the licence), when and where are the artefacts?

### A.2.8 Licence commitments

Have I checked the licence commitments and ensured that any data resulting from specific licence commitments (wells, seismic acquisition, seismic reprocessing etc. has been completely reported)?

### A.2.9 Transfer of Rights

With specific reference to 'transfer of rights'

- Have I systematically said what data categories have been identified as being subject of the ISP?
- Have I said how they will be transferred to the recipient (this could be either the 'new' licensee and / or the operator) (NB: You will have needed to make contact with the recipient company's ISC(s) and established required (agreed) form and manner etc.) – confirmation of this contact should be documented in the ISP)
- Have I presented a timetable for transfer? (where those date have passed at the time of the ISP submission, have I confirmed they did indeed happen?)
- Transfer of Rights events that include a change in Licence Operator or a Field Operator change (Unit Agreement) can mean that the 'ownership' of wellbores in WONS will change. In the template for this type of licence event, you will find a template table that when populated will show the ownership changes that will occur as a result of the transaction, following ISP and Licence Event agreement. The table provided in the ISP template (or as an Annex to the ISP provided as an Excel Spreadsheet) **MUST** be the table provided to the WONS team in order to initiate the wellbore ownership change. (i.e. the well listing provided to the WONS team **MUST** be the same table agreed in the ISP and the WONS team should be told the table you provide is the same as the table agree in the ISP)

### A.2.10 Transfer of Rights – Good Practice

For those who have worked within the UKCS subsurface data domain for some time will be familiar with stories of companies stating that data had not be transferred at the time of a historical asset sale, while the selling company claiming that the transfer did indeed take place. To avoid these future debates, it would be good practice to use transmittals that list the data to be transferred and ensure they are signed by both parties of the respective dispatch / receipt of consignments. This practice should apply to both digital and physical records transfer

### A.2.11 Dates

- Have I been specific on dates?
  - Have I said when execution of the ISP will be complete?



- This can be split into stages. i.e. when will documentation from an EDRMS be supplied
  - Samples? Physical items at 3rd party storage?... NDR clean up, WONS clean up, Transfer of ownership in the NDR etc.....
- Where the completion of the ISP is awaiting work on wells being abandoned etc. have I said how soon after the completion of a well abandonment, the data will be loaded to the NDR? (i.e. within 3 months from the abandonment work being completed)
- Have I indicated when (roughly) will the abandonment work be done?
- Have I described other project milestones and key dates?
- Have I committed to coming back to the OGA at key milestones to update them on progress and confirm milestones have been met?

### A.2.12 Submission

- Am I sending the ISP to the correct email address? (Should be sent to [ISC@OGAuthority.co.uk](mailto:ISC@OGAuthority.co.uk))
  - no need to copy David Lecore

### A.2.13 Is this wellbore subject of the ISP?

The following is provided to help you determine if a wellbore is subject of a licence event.

It is a list of 5 possibilities when you have a wellbore 'within the current geographical bounds of a licence' (or indeed just outside the bounds) and it will help you determine if that wellbore is subject of the ISP / Licence Event or not.

- The well was drilled on the licence – and **is** hence subject of the ISP
  - Note: It is possible for the top-hole location to be outside of the licence boundary and still be 'on the licence' and hence subject of the ISP
  - Note: It is possible for the top-hole location to be within a licence but not drilled on the licence
- The well was drilled on another licence that used to cover the geographical area – but that licence was subsequently surrendered / expired / revoked (a determined licence) – and hence the wellbore **is not** subject of the ISP
  - Example: 9/09c- 16 drilled on P628. P628 surrendered. P276 subsequently extended to cover the area over 9/09c- 16
- The wells top hole location is within the licence, but the wellbore was drilled by the operator of an adjacent licence using a subsea template or platform geographically within the licence that is subject of the ISP. The bottom hole location will be in the adjacent licence. The wellbore **is not** subject of the ISP
  - Example: 9/08a- 15 top hole is geographically within P209 and within the Keith Field. Wells 14 and 16 are Keith development wells on P209. 15 and 15Z are Apache wells on P628 which at the time of drilling was to the south. The bottom hole location of 15 & 15Z is within P628 and P628 is the licence under which the wellbores were consented
- The well is a development well, where the field operator has an agreement to operate field development wells even though the wells (platform / tieback) are located within the adjacent

licence. The wellbore **is not** subject of the ISP (unless the field operatorship is subject of the event)

- Example: Bittern Field was operated by Shell. Field is covered by 2 licences. P361 was operated by Dana. P233 operated by Shell. A tie back template, within the Dana operated P233 contains a well and 2 side-tracks operated by Shell. These wells would not be subject of an ISP related to P361 unless the Operatorship of the Field was also subject of the Event

## B Information Checklist: Scope of Data to be included in addition to ISP.

This appendix provides a generic checklist of the information types that will be included or excluded from the sale. An ISP is focused on Geological, Geophysical, Engineering and Production data.

The list is provided in addition to the ISP as many of the data types which are outside of Petroleum Related information are still required to be transferred in an Asset Sale

The checklist is **not intended to be a catalogue** of the information items to be transferred, but simply a reference list of possible information *types*, which could be pertinent to a sale and will also need to be included in a Data Room.

### Commercial

- Ancillary
- Sales Agreements
- Transportation & Shipping
- Royalty

### Contracts & Legal

- Decommissioning
- Field Development Plan
- Joint Operating Agreement
- Licence & Novations
- Sale & Purchase Agreements
- Farm In/Out Agreements
- Third Party Developments

### Cost - Scheduling

- AFE
- Billings and Cash calls
- Budgets
- Economics
- Gas Sales
- Liftings
- Insurance (OPOL)
- Audits
- Tax

### Health, Safety & Environmental Management

- Audits (OSPAR)
- HSE Management System
- Incidents
- Environmental Statements

### Meetings

- OCM
- Other Meetings/Workshops
- TCM

### Production

- LoF
- Annual Field Report

Nominations

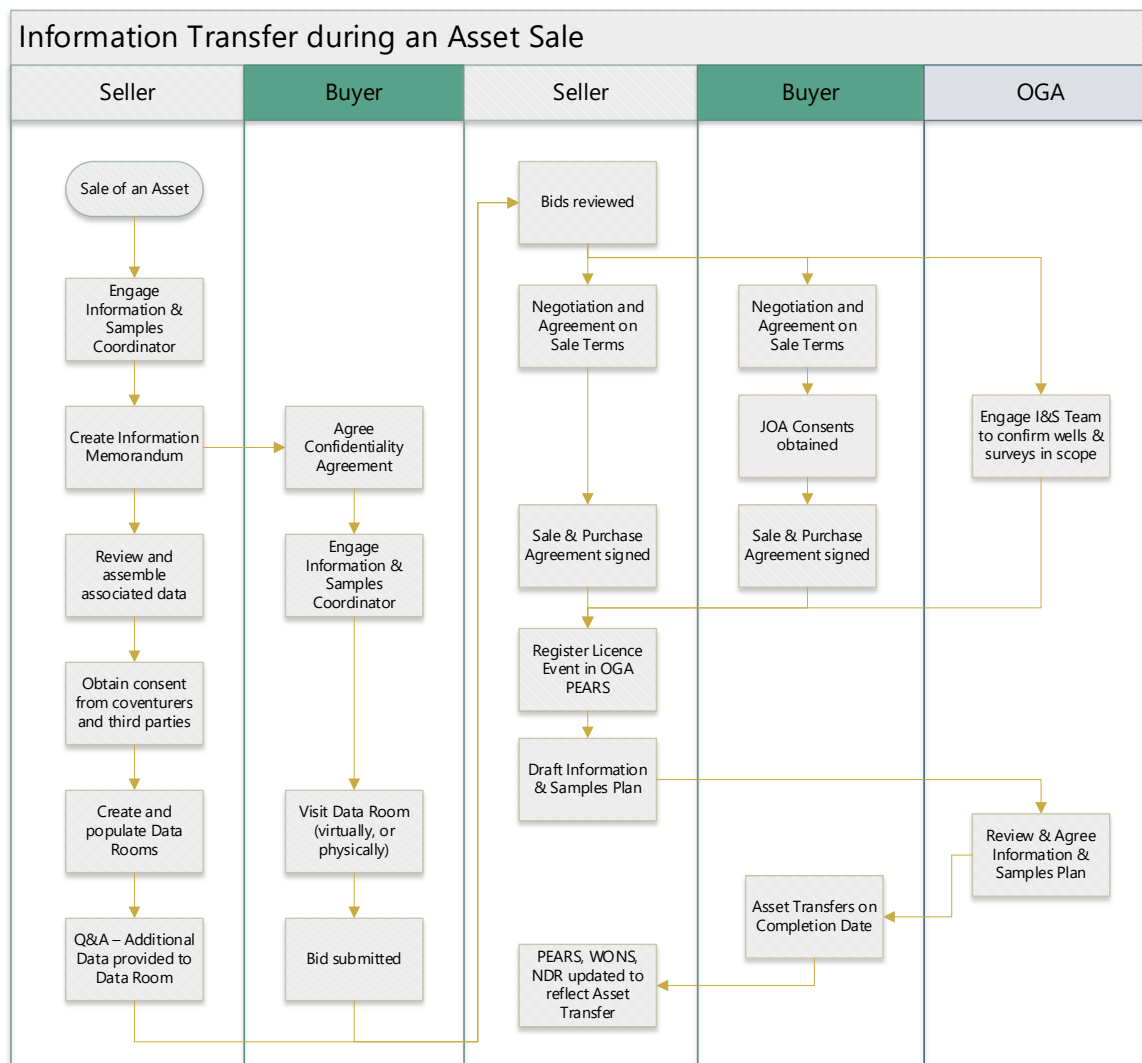
Production Reports

**Regulatory Bodies**

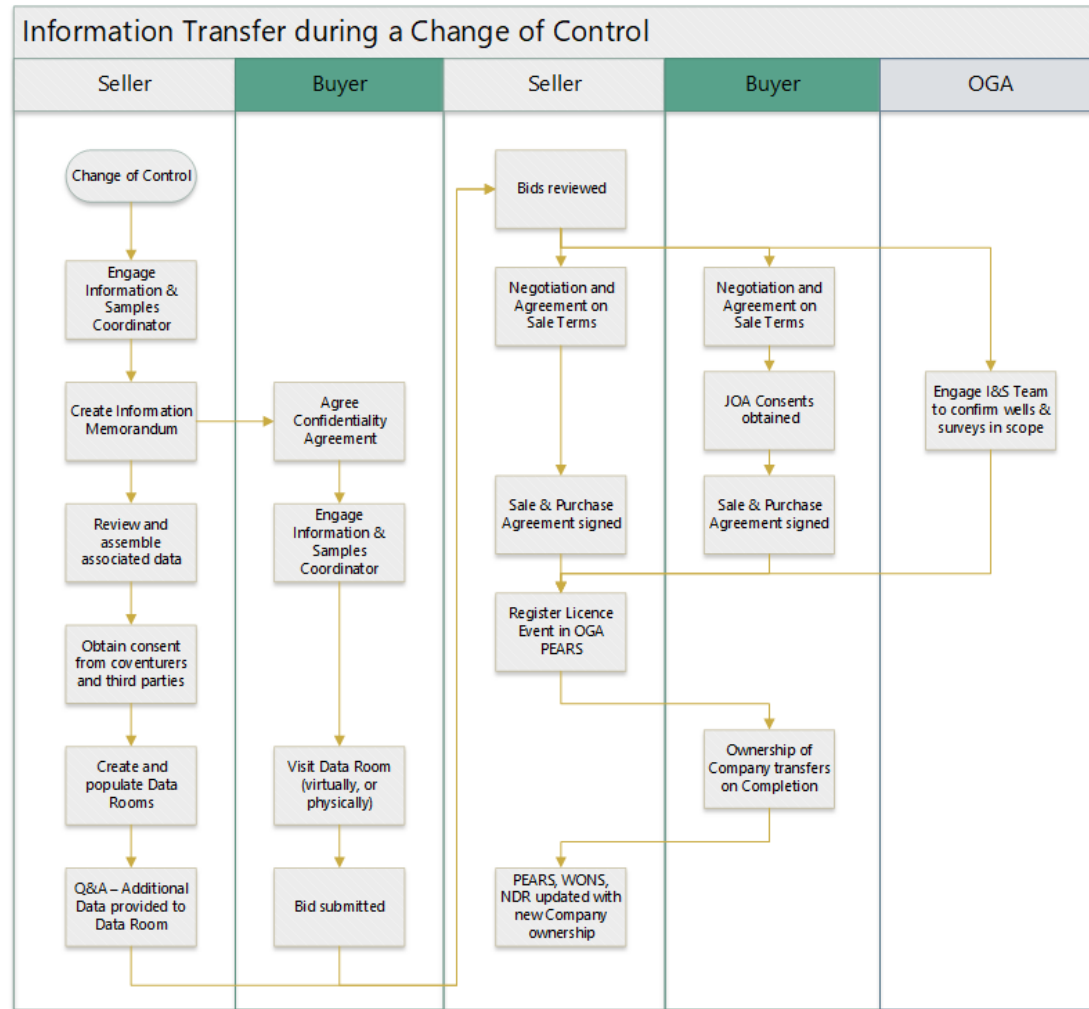
DECC/OGA Communications

Annual Stewardship Reports

## C A High Level View of Information Transfer during an Asset Sale



## D A High Level View of Information Transfer during a Change of Control



## E Bibliography

Energy Act 2016: <http://www.legislation.gov.uk/ukpga/2016/20/contents>

Disclosure Regulations: <http://www.legislation.gov.uk/uksi/2018/898/contents/made>

Retention Regulations: <http://www.legislation.gov.uk/uksi/2018/514/contents/made>

Petroleum Act 1998: <http://www.legislation.gov.uk/ukpga/1998/17/contents>

Model Clauses (Production Licences):  
<http://www.legislation.gov.uk/uksi/2008/225/contents/made>

PON9: <https://www.ogauthority.co.uk/exploration-production/petroleum-operations-notices/pon-9/>

OGA Retention and Reporting Guidance: <https://www.ogauthority.co.uk/regulatory-framework/guidance/>

OGA s.34 Notices: <https://www.ogauthority.co.uk/data-centre/overview/>

OGA Open Data Centre: <https://data-ogauthority.opendata.arcgis.com/>

National Data Repository: <https://www.ogauthority.co.uk/data-centre/national-data-repository-ndr/>



[oilandgasuk.co.uk/guidelines](https://oilandgasuk.co.uk/guidelines)

#### **OGUK Guidelines**

Member companies dedicate specialist resources and technical expertise in developing these guidelines with Oil & Gas UK with a commitment to work together, continually reviewing and improving the performance of all offshore operations.

**Guidelines are free for our members and can be purchased by non-members.**

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