MERGER/NAME CHANGE RECOGNITION PROCEDURES

All offices will advise customers to file merger or name change documentation with the Bureau of Land Management (BLM) State Office (SO) that accepted their surviving bond. If a customer does not have a bond, it may file its documents with any SO that has jurisdiction over the affected leases. Merger/name change documentation must include a Certificate of Merger or Name Change and Secretary of State Certification. Customers should provide a list of all leases and agreements affected by the merger or name change.

RECEIVING OFFICE:

- Receive documentation.

- Review LR 2000 Bond & Surety System to determine if any bond is of record for the merging entities or surviving entity.

- Send the documents to the office that accepted the surviving or prior named entity's bond. If no bond, keep and process.

- Within 10 working days of receipt, advise the BLM_Bond_Surety and BLM_Fluids_Forum groups, via email, of receipt of merger or name change documentation.

- **Do not send the message to individual bond coordinators.**
  Examples of email messages:

MERGER: Subject Line: Merger Received
Date Received: _____
Merger of _____ into _____
Surviving Entity: _____
Processing Office: _____
Bond Type and Number: *(Existing and/or new)*
Amount: $ *(For each listed bond)*
Documentation forwarded to:

NAME   Subject Line: Name Change Received
CHANGE: Date Received: _____
Name Change from _____ to _____
Processing Office: _____
Bond Type and Number: *(Existing and/or new)*
Amount: $ *(For each listed bond)*
Documentation forwarded to:

PROCESSING OFFICE:

- Receive documents. Review for adequacy. Even if the customer provides a list of affected leases, pull Case Recordation Customer Info Index reports for all BLM administrative states limited to:

- Case type: Begins with 31
　　　　　　　　　- Case disposition: Pending and Authorized
　　　　　　　　　- Names of all parties affected by the merger/name change

- All of the existing bonds for the affected merging entities remain in place until the surviving entity identifies the bond that it wishes to maintain to cover all of the liabilities. If there is more than one bond in place and the surviving entity wishes to use one bond to cover the liabilities, they must file an assumption rider for the designated bond. Do not delay recognition of the merger during this process.

- Examine any assumption rider provided by the surviving entity for acceptability. Accept or return the assumption rider by notice (see Illustrations 1 and 2). The processing office *cannot* terminate the period of liability of a bond maintained by another SO; they can only authorize other SOs to terminate the period of liability of replaced bonds and adjust their automated entries. The processing SO can terminate the period of liability of a bond maintained by their office; there is no need to coordinate with other SOs when there is a bond rider accepting all outstanding liabilities of an existing bond. This process ensures notation of automated records in a timely fashion.

- The processing office should recognize merger/name changes without specific riders because it occurs by operation of law. If the surety files a bond rider and requests acceptance, adjudicate it for acceptability. Each office may process bond reviews and follow-up actions such as bond increases and assumption of liability riders following the merger or name change recognition. See IM 2006-206 for guidance.

- Recognize merger/name change by notice (see Illustrations 1 and 2).

- Immediately update LR 2000 Bond & Surety (see Illustration 3). Accept new bond. See optional language in Illustrations 1 and 2.

- Email a copy of recognition notice (subject line: Merger or Name Change Recognized), including signatory and date to BLM_Bond_Surety and BLM_Fluids_Forum groups. Include a copy of the Customer Information Index Report and a PDF (scanned) list of leases submitted by the customer to the appropriate SOs.

- Document case files and update Case Recordation for recognition (see Illustration 3).

- Ensure the field offices under your jurisdiction are notified of the merger/name change, so that they may begin to review bond adequacy. (NOTE: A bond adequacy review is a parallel and separate action. Mergers and name changes trigger a review of bond adequacy, but processing a merger/name change action is not to wait for the bond adequacy review to be completed.)

ALL STATE OFFICES:

- Upon receipt of merger/name change notice from processing office, ensure the field offices under your jurisdiction are notified of the merger/name change, so that they may begin to review bond adequacy. (NOTE: A bond adequacy review is a parallel and separate action. Mergers and name changes trigger a review of bond adequacy, but processing a merger/name change action is not to wait for the bond adequacy review to be completed.)

- Upon receipt of merger/name change notice from the processing office confirming acceptance of an assumption rider, transfer all liabilities from any other affected bond to the surviving or new accepted bond.

- Terminate period of liability under any other affected bond under your jurisdiction, once you have transferred liabilities to the new or surviving bond.

- When you receive the electronic recognition notice or decision document case files with hardcopies. Update Case Recordation and Bond & Surety for leases and bonds under your jurisdiction (see Illustration 3.)

ALL FIELD OFFICES:

- Upon receipt of notification of merger/name change, determine adequacy of surviving or new bond. Provide the specific amount of any increase needed, description of liabilities: include any noncompliance history, identify idle wells (shut in/temporarily abandoned) or marginal/low production wells (potential idle wells). All offices should maintain current liability information in LR 2000 Bond & Surety.

- Ensure signage is changed. Document well files with hardcopy of recognition notice or decision. Update the Automated Fluid Minerals Support System (AFMSS).

Illustration 1

(Lead serial no.), et al.
BLM Bond Number *(If bond/rider)*
Surety Bond Number

(Date)

NOTICE

Surviving entity name & address
Surety name & address

MERGER (AND NAME CHANGE) RECOGNIZED
(Add name change as appropriate)
(As Applicable)   **BOND (or RIDER) ACCEPTED (or as appropriate)**

We received acceptable evidence of the merger of _____ into
_____. _____ is the surviving entity. This
recognition is effective _____, as certified by the Secretary of State, State of
_____.

We have documented the merger by copy of this notice in the oil and gas lease files identified on the enclosed exhibit. We have also updated our automated records. We compiled the exhibit from leases shown on our automated records system and any list of leases you provided. The exhibit also reflects serial numbers of agreements where you are the operator. We are notifying the Minerals Management Service and all Bureau of Land Management (BLM) offices of the merger by copies of this notice.

If you find additional leases where the merging parties maintain an interest, please contact this office. We will document the records under our jurisdiction, and if the leases are under the jurisdiction of another State Office, we will notify them.

IF APPLICABLE: This merger affects the following bond(s) held by the BLM:

BLM Bond Number: _____   Amount: $ _____   Surety/Other Identifier: _____

_____
(Repeat as needed to list all bonds)

AS APPLICABLE:
(One bond, no rider) We have updated our bond file and automated system to reflect the merger. If the principal's/obligor's name also changed, we have updated our records to reflect the correct name. No rider is necessary as the change occurred by operation of law. We are in the process of determining the total liability for the leases affected by the merger and may require increased coverage in a later action.
DO NOT PROCESS RIDERS UNLESS THE SURETY SPECIFICALLY REQUESTS APPROVAL OF A RIDER. RETURN THEM WITH THE MERGER/NAME CHANGE

RECOGNITION ADVISING THAT THEY ARE NOT NECESSARY BECAUSE THE CHANGE OCCURS BY OPERATION OF LAW.

(One bond, name change rider – IF SURETY REQUESTS ACCEPTANCE) We have reviewed the name change rider filed with the merger documents and accepted it effective _____. We have updated our bond file and automated system to reflect the merger and name change. We are in the process of determining the total liability for the leases affected by the merger and may require increased coverage in a later action.
(If rider is not acceptable, state so with reason(s). Return to surety/obligor.)

(Multiple bonds, assumption rider needed) We only require one bond to cover lease obligations, provided the amount is adequate to cover all assumed liabilities. You need to identify which bond you wish to maintain. We are in the process of determining the total liabilities of the leases affected by the merger and may require increased coverage in a later action. Existing bonds will remain in effect until you provide an assumption rider identifying which bond you want to use for all liabilities.

(Multiple bonds, assumption rider provided or new bond, assumption rider provided) We have reviewed the assumption rider filed with the merger documents and accepted it effective _____. (The surviving entity) assumed all liabilities remaining on their existing bond number(s). _____, _____ under their bond number _____. You will receive a separate notice from the State Offices maintaining bond number(s) _____ and _____ terminating the period of liability of the bonds effective _____, the date we accepted the assumption rider.

(New bond) You filed a new bond with your merger documentation. We have reviewed it and accepted it effective _____. We are in the process of determining the total liability for the leases affected by the merger and may require increased coverage in a later action.
(If bond is not acceptable, so state with reason(s). Return to principal/obligor.)

If you have any questions, please contact (name) at (phone number) or FAX (number).

Authorized officer's signature/title

Enclosure
 1-Exhibit: List of Leases

cc (w/encl):
MMS-MRM, Attn: (name)
Surface Management Agency
Merger/Name Change File

Electronic copies (w/encl):
BLM_Bond_Surety
BLM_Fluids_Forum

Illustration 2

(Date)

NOTICE

Name & Address of Entity

Name & Address of Surety

<div align="center">

NAME CHANGE RECOGNIZED

(As Appropriate)   **BOND (or RIDER) APPROVED (or as appropriate)**

</div>

You filed acceptable evidence of the name change from _____ to _____.

AS APPROPRIATE:

CORPORATE NAME CHANGE WITH EXISTING BOND, NO RIDER: For our purposes, we are recognizing the name change effective _____, as certified by the Secretary of the State of _____. The principal/obligor automatically changes by operation of law from _____ to _____ on BLM Bond Number_____.

CORPORATE NAME CHANGE WITH EXISTING BOND, RIDER FILED: For our purposes, we are recognizing the name change effective _____, as certified by the Secretary of the State of _____. While the principal/obligor automatically changed by operation of law on BLM Bond Number_____, we reviewed the name change rider you filed and found it satisfactory. The rider is effective the date of filing in this office. *(If rider is not satisfactory, so state with reason(s), return rider to Surety or obligor as appropriate.)*

CORPORATE NAME CHANGE WITH NEW BOND: For our purposes, we are recognizing the name change effective _____, as certified by the Secretary of the State of _____. We examined the bond you filed with the name change documentation and found it satisfactory. The bond is effective the date of filing in this office. *(If bond is not acceptable, so state with reason(s) and return bond to principal/obligor.)*

CORPORATE NAME CHANGE WITHOUT BOND: For our purposes, we are recognizing the name change effective _____, as certified by the Secretary of the State of _____.

INDIVIDUAL NAME CHANGE WITH BOND, NO RIDER FILED: For our purposes, we are recognizing the name change effective *(UNLESS SPECIFIED IN DOCUMENTATION, USE DATE OF RECEIPT)*. The principal/obligor automatically changes by operation of law from _____ to _____ on BLM Bond Number_____.

INDIVIDUAL NAME CHANGE WITH EXISTING BOND, RIDER FILED: For our purposes, we are recognizing the name change effective *(UNLESS SPECIFIED IN DOCUMENTATION, USE DATE OF RECEIPT)*. While the principal/obligor automatically changed by operation of law on BLM Bond Number_____, we reviewed the name change rider you filed and found it satisfactory.

The rider is effective the date of filing in this office. *(If the rider is not satisfactory, provide reason(s) and return to Surety or obligor as appropriate.)*

INDIVIDUAL NAME CHANGE WITHOUT BOND: For our purposes, we are recognizing the name change effective *(UNLESS SPECIFIED IN DOCUMENTATION, USE DATE OF RECEIPT)*.

We filed a copy of this notice/decision in the oil and gas lease files identified on the enclosed exhibit. We compiled the exhibit from leases shown in our automated records system and any list of leases that you provided. The exhibit also reflects serial numbers of agreements where you are the operator. We are notifying the Minerals Management Service and all Bureau of Land Management offices of the name change.

If you identify additional leases affected by the name change, please contact this office. We will document the files under our jurisdiction with a copy of this notice/decision, and if the leases are under the jurisdiction of another State Office, we will notify them.

If you have any questions, please contact (name) at (phone number) or FAX (number).

Authorized officer's signature/title

1 Enclosure:
 1-Exhibit: List of Leases

cc (w/encl):
 MMS-MRM, Attn: (name)
Surface Management Agency
Merger/Name Change File

Electronic copies to:
BLM_Fluids_Forum
BLM_Bond_Surety

Illustration 3

DATA ENTRY REQUIREMENTS

CASE RECORDATION:

Merger: Enter the following for all affected leases:

> Change Proprietor Field as appropriate.
> DATE: (date of BLM notice recognizing merger)
> ACTION CODE (DE 2910): 817 – MERGER RECOGNIZED
> ACTION REMARKS: EFF MM/DD/YYYY (Sec of State's certificate date) /tie to Gen
Rmks
> GENERAL REMARKS: /tie from Acn Rmks/ (former name(s)) to (new name or
surviving entity)

Name change: Enter the following for all affected leases:

> DATE: (date of BLM notice recognizing name change)
> ACTION CODE (DE 2910): 940 – NAME CHANGE RECOGNIZED
> ACTION REMARKS: EFF MM/DD/YYYY (Sec of State's certificate or other date) /tie to
Gen Rmks
> GENERAL REMARKS: /tie from Acn Rmks/ (former name) to (new name)
> Change Proprietor Field.

BOND & SURETY:

Once a merger or name change notice is signed, immediately change the name in on the bond(s):

> Main Menu Option 7 - Bond NID/Interest Relationship. Change name on bond to new
name or surviving entity.

Rider:
> DATE: (Date rider received by processing office)
> ACTION CODE (DE 2960): 478 – RIDER FILED
> ACTION REMARKS: /tie to Gen Rmks/RIDER #
> GENERAL REMARKS: /tie from Acn Rmks/ NAME CHANGE RIDER

Merger:
> DATE: (Date of recognition notice or decision)
> ACTION CODE (DE 2960): 280 – MERGER RECOGNIZED
> ACTION REMARKS: EFF (MM/DD/YYYY) /tie to Gen Rmks/RIDER #
> GENERAL REMARKS: /tie from Acn Rmks/ FROM (OLD NAME(S)) TO (NEW NAME OR
SURVIVING ENTITY)

If rider accepted:

      DATE: (Date of approval decision)
      ACTION CODE (DE 2960): 479 – RIDER ACCEPTED
      ACTION REMARKS: EFF MM/DD/YYYY /tie to Gen Rmks) RIDER #
      GENERAL REMARKS: /tie from Gen Rmks/RIDER # - ASSUME ALL LIABILITIES
UNDER BOND Number _____ **or** CONSENT OF SURETY TO CHANGE NAME ON
BOND

If rider not approved:

      DATE: (Date of BLM decision disapproving rider; can be same decision as merger
recognition)
      ACTION CODE (DE 2960): 480 – RIDER UNACCEPTABLE
      ACTION REMARKS: /tie to Gen Rmks/RIDER #
      GENERAL REMARKS: /tie from Acn Rmks/ (enter reason rider is unacceptable)
      ACTION CODE: 481 – RIDER RETURNED
      ACTION REMARKS: /tie to Gen Rmks/ RIDER #
      GENERAL REMARKS: /tie from Acn Rmks/ RIDER # (enter to whom rider was
returned)

Name change:

      DATE: (Date of recognition notice or decision)
      ACTION CODE (DE 2960): 290 – NAME CHANGE RECOGNIZED
      ACTION REMARKS: EFF MM/DD/YYYY/tie to GEN RMKS/
      GENERAL REMARKS: /tie from ACN RMKS/ FROM (FORMER NAME) TO (NEW NAME)

If rider accepted:

      DATE: (Date of BLM decision recognizing name change)
      ACTION CODE (DE 2960): 479 – RIDER ACCEPTED
      ACTION REMARKS: EFF MM/DD/YYYY /tie to Gen Rmks
      GENERAL REMARKS: /tie from Acn Rmks/ RIDER # - ASSUME ALL LIABILITIES
UNDER BOND Number _____ **or** CONSENT OF SURETY TO CHANGE NAME ON
BOND

If rider not approved:

      DATE: (Date of BLM decision disapproving rider; can be same decision as name change
recognition)
      ACTION CODE (DE 2960): 480 – RIDER UNACCEPTABLE
      ACTION REMARKS: /tie to Gen Rmks/RIDER #
      GENERAL REMARKS: /tie from Acn Rmks/ RIDER # -(enter reason rider is
unacceptable)
      ACTION CODE: 481 – RIDER RETURNED
      ACTION REMARKS: /tie to Gen Rmks/ RIDER #
      GENERAL REMARKS: /tie from Acn Rmks/ RIDER # (enter to whom rider was
returned)

<u>AFMSS</u>

For each well record, change name of operator, and, as appropriate, change BLM Bond Number of bond covering operations.