Form EIA-23L for 2014 is due by May 1, 2015

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EIA-23L ESSENTIALS

What is Form EIA-23L?

Form EIA-23L is part of an annual study of crude oil and natural gas reserves and production in the United States. EIA sends the form to a representative sample of oil and gas operators each year, and their response is mandatory.

EIA uses the collected data to develop national and state estimates of reserves, which are published in the annual report *U.S. Crude Oil and Natural Gas Proved Reserves*. The report informs policymakers, industry, and the general public about U.S. reserves and facilitates national energy policy decisions.

Form EIA-23L also is referred to as the “Annual Survey of Domestic Oil and Gas Reserves.”

Is it mandatory?

Yes. If your company is selected to participate in the study it must submit a completed form by the due date posted above. This is mandated under Sec. 13 (b) of the Federal Energy Administration Act of 1974. Failure to comply may result in civil and financial penalties (see page 2 of the form *instructions* for more detail).

Why was my company selected?

Companies are selected based on a combination of factors, including production volume, type, and location. Therefore, companies with lower production volume sometimes are selected based on their location or the type of fuel they produce.

What if my company does not have a reserves study?

There is no need to commission a reserves study to complete the form. If no study exists, submit your best reserves estimates.

What if the reserves information is not available by the due date?

Contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470 if you anticipate difficulty meeting the due date shown above.

What if my company is a parent or subsidiary company?

If you are unsure whether another part of your company submits or should submit a form, contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470 for clarification.
NEW FOR 2014

Are there any changes this year?

In RIGS when entering a new field or updating reserves data for an existing field, there is now a drop-down menu for choosing the field’s type code. If you are unsure of the type code, you may select unknown.

Please select a type code for each reported field.

What are the significant additions to the Field Code Master List this year?

For 2014 there are six new field areas in the Field Code Master List:

- Bakken field area in Montana and North Dakota, field code 777775
- Eagle Ford field area in Texas, field code 777778
- Mississippi Lime field area in Kansas and Oklahoma, field code 777776
- Niobrara PRB field area in Wyoming, field code 777774
- Wolfcamp/Bone Spring field area in New Mexico and Texas, field code 777777
- Woodford field area in Oklahoma, field code 777414

In addition, many fields in Texas were added to the Field Code Master List.
FORM QUESTIONS

What are the most common mistakes made on Form EIA-23L and how can I avoid them?

- Unit errors—The correct volumetric units to use on the form are thousand barrels (MBbls) for oil and lease condensate data and million cubic feet (MMCF) for natural gas data.

  \[
  \begin{align*}
  1,000 \text{ barrels oil} & = 1 \text{ MBbls} \\
  1,000,000 \text{ cubic feet natural gas} & = 1 \text{ MMCF}
  \end{align*}
  \]

- Mismatching ending and beginning reserves—Beginning reserves (column A on the form) must match what was submitted as ending reserves (column J) on the previous year’s form. Use the revision increase/decrease columns to make necessary adjustments.

  For example, if your company’s reserves estimates change slightly from December 31 of one year to January 1 of the following year, account for these adjustments by using the revision increase/decrease columns as shown below.

<table>
<thead>
<tr>
<th>TYPE OF HYDROCARBON</th>
<th>TOTAL RESERVES DECEMBER 31, 2014</th>
<th>PRODUCTION (B)</th>
<th>REVISIONS (B)</th>
<th>SALES (B)</th>
<th>ACQUISITIONS (B)</th>
<th>EXTENSIONS (B)</th>
<th>NEW FIELD DISCOVERIES (B)</th>
<th>NEW RESERVOIRS (B)</th>
<th>SURVEY PRODUCTION (B)</th>
<th>TOTAL PROVEN RESERVES DECEMBER 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRUDE OIL (BBL)</td>
<td>100</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>ASSOCIATED-CONDENSATE (MMCF)</td>
<td>500</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1000</td>
</tr>
<tr>
<td>NONGAS-ASSOCIATED GAS (MMCF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>395</td>
</tr>
<tr>
<td>LEASE CONDENSATE (MMCF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

- Sales—Sales (column D on the form) is for recording sales of reserves volumes—not annual production or profits received from selling oil or gas.

- New field discoveries—New field discoveries (column G on the form) are fields that were discovered during the year. If the field already exists, the reserves should be entered as an extension to an existing field, a new reservoir in an old field, or an acquisition. If you are unsure if the field is newly discovered, please check the Field Code Master List or contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470.

What is the correct number format?

All numbers on the form are positive. If reserves decrease due to production, sales, or revisions, record the amounts as positive numbers in the appropriate columns. There should be no negative numbers on your form.

Do not include decimals on the form; round to the nearest whole number. If the nearest whole number is less than 500 barrels of liquids or 500,000 cubic feet of natural gas, record a zero or leave the item blank.
Why include footnotes?

Footnotes provide EIA with important information about your company’s data. By including footnotes you reduce the need for follow-up inquiries.

Please include footnotes when reporting:

- Revision increases/decreases greater than 2,500 MBbls of liquids or 15,000 MMCF of natural gas
- Sales and acquisitions—include the seller/buyer company and the date of the operator change
- New field discoveries and significant field extensions
- Major changes to previously reported fields

What is a type code?

Type code refers to the nature of the reservoir in which reserves lie or fuel is produced. A field may have more than one type code. If this is the case, record the field multiple times with the estimated reserves and production that correspond to each type code.

In the example below, the field is comprised of both conventional and shale reserves. Therefore the field is listed twice—one for each type code. Altogether 40 MBbls of crude oil was produced from the field and the total ending reserves are 60 MBbls.

The type code options for the form are:

- Chalk (CH)
- Coal bed (CB)
- Conventional (C)
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- Low permeability (LP)
- Shale (SH)
- Unknown (UN)

Use the low permeability type code for low permeability reserves/production that is not covered by another type code—for example, reserves from shale reservoirs should be labelled as shale rather than low permeability.

What are proved reserves?

Proved reserves are the volume of liquids and natural gas recoverable from known reservoirs under existing operating and economic conditions. Reserves volumes submitted on the form are estimates, not precise measurements.

What is the difference between associated-dissolved gas and nonassociated gas?

Associated-dissolved gas is natural gas that is within crude oil reservoirs. It can be either free (associated gas) or mixed with the oil (dissolved gas). In most cases when a field contains both oil and natural gas, the gas is associated-dissolved gas.

Nonassociated gas is natural gas from reservoirs without significant volumes of crude oil. If a field contains natural gas and no oil, it is nonassociated gas.

What is lease condensate?

Sometimes liquid hydrocarbons are produced along with natural gas. The liquid is separated from the gas either in the field or downstream at gas processing plants.

Lease condensate is the liquid separated in the field. It should not be mistaken for natural gas plant liquids, which are recovered later at processing plants.

Do beginning reserves need to match the prior year’s ending reserves?

Yes! Use the revision increase/decrease columns to make necessary adjustments so that beginning reserves match the prior year’s reported ending reserves.

For example, if your company’s reserves estimates change slightly from December 31 of one year to January 1 of the following year, account for these adjustments by using the revision increase/decrease columns as shown below.
How do I switch reserves from one field to another?

Use the revision decrease (column C on the form) to bring the ending reserves (column J) to zero and record a corresponding revision increase (column B) in the new field.

Use this method for changes within fields as well, including fuel types corrections (such as from nonassociated gas to associated-dissolved gas) or field name changes.

An example of a fuel type correction:
How should sales and acquisitions be handled?

Sales: If your company sold reserves assets during the year, record the estimated volume of reserves sold in column D on the form. This volume is minus the amount produced from the field until the point of sale, which is recorded in column I. Include a footnote with the company that purchased the assets and the date that operations changed hands.

Sales does not refer to production volumes or profits from selling fuels or assets.

Acquisitions: If your company purchased reserves assets during the year, record the estimated volume of reserves bought in column E on the form. Also include the amount your company produced from these reserves for the remainder of the year in column I. Include a footnote with the company that sold the assets and the date that operations changed hands.

Reserves purchases should not be recorded as a revision increase, but as an acquisition.
Frequently Asked Questions
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Annual Survey of Domestic Oil and Gas Reserves

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If my company sold a field during the year does that field need to be included on the form?

Yes, see the question above for how to correctly report sales and acquisitions.

What are proved nonproducing reserves?

Proved nonproducing reserves are reserves that are not actively producing for any number of reasons. On the form, nonproducing reserves should be included in all reported data, and the nonproducing portion of ending reserves should be recorded in box 7.

What is the Field Code Master List?

The Field Code Master List is a list of all crude oil and natural gas fields recognized by EIA. It includes the field code, field name, location by state, subdivision, and county, and the field’s discovery year. Use the Field Code Master List as a reference for completing the form.

If a field recognized by a state agency is not on the Field Code Master List, please contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470 to have it added.

What if a field does not have a name?

Fields not recognized by EIA or state agencies should be reported as unknown or wildcat fields.

Wildcats: These fields take the field code 999001. In most cases, there should be only one wildcat field entry per county. If there are multiple wildcat areas within a single county, please combine the reserves and production into one entry on the form. There can be multiple wildcat field entries within a county only if there are different type codes to report.

Unknowns: For fields without known names, use a field code between 999002-999050. Give the field name as it is reported to the state. If there is additional identifying information, include it in the Prospect Name space (box 11 on the form). There can be multiple unknown fields per county.

When reporting an unknown field from year to year, use the same field code.
SUBMIT THE FORM

How do I submit the completed Form EIA-23L?

Completed forms can be submitted electronically or by email, fax, or mail. EIA recommends submitting the form electronically via RIGS.

Electronic: RIGS; see below for more information

Email: OOG.Surveys@eia.gov

Fax: 1-202-586-1076

Mail: Oil and Gas Surveys
U.S. Department of Energy, EIA
Ben Franklin Station
PO Box 279
Washington, DC 20044-0279

If you need help submitting the form, please contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470.

What is RIGS?

RIGS is software you can download from the EIA website and use to fill out and submit the form. The program has to be downloaded anew each year.

For more information on how to download and use RIGS, please see the RIGS instructions.

If you need help with RIGS, contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470.

RESUBMISSIONS

What if my company’s data changes?

If your company’s data changes by more than five percent from reported data, please resubmit the form as soon as possible. Guidelines for resubmissions are:

- Check the box on page 1 of the form indicating a resubmission
- Resubmit all fields, not just those with changes
- Include footnotes explaining the revisions
COMPANY CHANGES

What if my company is sold, merged with another company, or buys another company?

Please contact EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470 to report any changes to your company’s structure. Also note changes on page 1 of the form.

What if my company’s contact person changes?

Please inform EIA of any change to your company’s contact person or contact information. Register contact updates any time during the year with EIA-23L analysts at OOG.Surveys@eia.gov or 1-800-879-1470.

Remember that the contact person should be knowledgeable about the reported data.

CONTACT EIA

What if I need more help?

- EIA-23L Survey Manager Steven Grape: Steven.Grape@eia.gov or 1-202-586-1868
- EIA-23L analysts: OOG.Surveys@eia.gov or 1-800-879-1470
- EIA-23L Instructions