

Application for Pooling Order

As per Subsection [126\(1\)](#) of The Oil and Gas Act:

Where working interest owners of tracts within a spacing unit are unable to conclude a pooling agreement, any of the working interest owners may, in accordance with the regulations, make application to the minister to make a pooling order under subsection (2) in respect of the spacing unit.

And

[126\(2\)](#) *Where, in respect of an application received under subsection (1), the minister is satisfied that a pooling order is necessary to permit development of the spacing unit, the minister may make a pooling order.*

1. A person may make application to the Minister as per Subsection 126(1) of The Oil and Gas Act requesting approval for a pooling order. The application shall be in letter form and shall include:
 - a. A detailed description of the lands for which the pooling is requested including:
 - i. a legal description of the drilling spacing unit(s) to be pooled along with the location of the proposed drill or existing well; (if the well is a horizontal location list all affected drilling spacing units)
 - ii. a list of all the mineral lessors and lessees and working interest owners involved by percentage interest, including mailing addresses;
 - iii. details of trusts, farm-ins and lease agreements.
 - b. A detailed description of the geological potential of the lands to be pooled with respect to:
 - i. production formation of proposed or existing well to be pooled;
 - ii. description of the production potential of any existing and abandoned wells;
 - iii. discussion of the potential for infill drilling or enhanced oil recovery.
 - c. Detailed reasons why a voluntary pooling cannot be achieved including:
 - i. time line of discussion or correspondence between the respective parties including dates of meetings, telephone conversations, etc. where the issue of pooling was discussed;
 - ii. if negotiations had been conducted, details of the final positions of parties involved;
 - iii. discussion of why, in the applicants opinion, the negotiations did not result in a agreement.
 - d. A commitment from the applicant that he is prepared to drill a well on the drainage unit(s) in question and, in the event that no oil or gas is obtained, he will pay all costs incurred in the drilling and abandonment of the well.

- e. A proposal for the payment by the owners of the actual cost of the drilling and operating the well and the manner in which the payment shall be made.
 - f. A statement that the allocation of costs and revenues under the pooling order would be on drilling spacing unit basis, or if the proposed allocation is to be made on another basis, details of how this allocation was determined including supporting documents.
 - g. A proposal for a penalty to be levied against an owner who fails to pay his portion of the cost of drilling the well.
 - h. Identify the operator to be appointed for the well.
 - i. The submission shall be in written and illustrated form, signed by an officer of the company making the application.
2. Submit to the Director of the Regulatory Services Branch:
 - a. one (1) paper copy of the application- mailed to:
 - i. Regulatory Services Branch, 360- 1395 Ellice Ave, Winnipeg, MB, R3G 3P2
 - b. One (1) digital copy of the application- emailed to:
 - i. petroleum@gov.mb.ca
 3. The applicant shall provide a copy of the submission to each of the mineral and working interest owners involved. Registered mail is suggested. Proof of delivery is required to the Branch.
 4. For further information and inquiries, please contact (204) 945-1119 or petroleum@gov.mb.ca .
 5. This application will take a minimum of 90 days to process.

NOTES:

- A separate application must be submitted for each drainage unit, however, where there is common undivided interest within a section or portion thereof, a single application for several drainage units would be satisfactory.
- **Can I make an application for a pooling order for a horizontal well?** Yes. A pooling order can be issued for more than one drilling spacing unit in Manitoba. But a pooling order will only be applicable to the drilling spacing units for the well.