

## **MANDATORY POOLING PROCEDURAL OUTLINE**

### **I. Applicant Requirements**

The permit application package for a mandatory pooling request shall include all of the following information:

- A. A cover letter to the Chief requesting mandatory pooling.
- B. Affidavit(s) from the applicant, applicant's legal counsel and/or surveyor which include:
  - 1. A statement explaining why mandatory pooling is needed and what acreage and/or distance is involved. The explanation must outline why an alternate location is not possible.
  - 2. A statement detailing the attempts to obtain a lease and form a drilling unit under Section 1509.26 O.R.C (Voluntary Pooling).
    - a. List dates of attempts, who was contacted, proposals given and results of attempts.
    - b. Copies of any correspondence sent to the affected individual(s) should be attached to help document the negotiations. Proof of the attempt to voluntary pool must be submitted. (A voluntary pooling agreement allows the owner of the land to participate in the cost of drilling of the well to become a working interest owner.)
    - c. "Window Acreage" within the unit is strongly discouraged; however, for any "window acreage" within the proposed drilling unit, identify who the landowner is and the attempts made to lease that property.
- C. A list identifying the individual(s) to be pooled including the names, addresses and respective acreage of all owners within the unit.
- D. On the survey plat, highlight those properties that are being mandatory pooled and indicate the distance from the wellhead to those property boundaries.
- E. The proposed well location identified on a portion of a USGS 7.5 minute quadrangle map showing the location and permit numbers of any past, existing or known proposed wells within 2,000 feet of the proposed well.
- F. An aerial photograph showing the well location, access road, tank battery and sales line on a 1" = 200' scale. Indicate the distance from the tank battery to any mandatory pooled property line.
- G. An itemized breakdown of the estimated drilling and equipping costs and the monthly operating expense for the well.
- H. Several photographs showing a general representation of the area of the wellhead. They should be labeled indicating the direction (for example: from the north facing south), and should show the proposed mandatory pooled properties as seen from the location of the wellhead.

- I. The applicant shall provide the Division with nine separate collated packages of the information outlined above. Eight copies are for the Technical Advisory Council on Oil and Gas (T.A.C.) and one is for the Division.
- J. Any other pertinent documentation identifying the need for mandatory pooling.
- K. A \$5000.00 mandatory pooling fee that is in addition to the standard permit fee.

*NOTE: Failure to submit any of the required information without prior approval of the Division may delay processing the request.*

## **II. Division Review Process**

The Division will review the information submitted by the applicant and will determine:

- A. If all the information under Item I has been submitted and is in enough detail to fully support the request for mandatory pooling.
- B. If the drilling unit is of insufficient size or shape to meet the spacing requirements.
- C. That no obvious alternate location is available.
- D. That reasonable attempts were made to lease the acreage in question and just and equitable offers were made to voluntary pool the acreage in question.

## **III. Notification to Landowners, Applicant and Technical Advisory Council on Oil and Gas**

- A. If the information under Item I is complete and the conditions under Item II are met, the Division will notify, by certified letter, the landowner(s) proposed for the mandatory pooling order, the applicant and any legal counsel involved in the request for mandatory pooling.
- B. The letter will serve as notification of the date, time and location that the mandatory pooling request will be presented before the Technical Advisory Council on Oil and Gas.

## **IV. Review by Technical Advisory Council on Oil and Gas**

- A. The Technical Advisory Council on Oil and Gas was created under Section 1509.38 of the Ohio Revised Code. The T.A.C. consists of eight members appointed by the Governor and meets once a calendar quarter.
  - 1. The applicant must submit all the information listed under the Item I of this outline to the Division at least forty days prior to a scheduled T.A.C. meeting to ensure scheduling of their request on the T.A.C. agenda.
  - 2. The Division provides the T.A.C. members with the documentation provided by the applicant at least two weeks prior to the hearing.

3. The T.A.C. will review the documentation submitted by the applicant prior to the T.A.C. meeting.

## **V. Technical Advisory Council Hearing**

The quarterly T.A.C. meeting, where mandatory pooling requests are presented, will be considered the hearing under Section 1509.27 of the Ohio Revised Code.

- A. The applicant, affected landowner(s) and any involved legal counsel will present information to the T.A.C. members at the hearing.
- B. The T.A.C. will direct questions to the applicant, affected landowner(s) and Division representatives.
- C. The T.A.C. will recommend approving, denying or revising the application. The recommendation will be based on the evaluation of:
  1. The submitted documentation of the applicant and the affected landowner(s)
  2. Testimony presented during the hearing
  3. Correlative rights of landowners
  4. Effective development and use oil and gas
  5. Conservation of oil and gas

## **VI. Order by the Chief**

The Chief and his representatives will evaluate the submitted documentation, information presented at the hearing, and the recommendation of the T.A.C.

- A. From this evaluation, the Chief will issue an adjudication order. The order will either:
  1. Find that mandatory pooling is necessary to protect correlative rights and to provide effective development, use and conservation of oil and gas and the permit will be issued or;
  2. Find that mandatory pooling is not necessary and the permit application will be denied.
- B. The order will state that there is an appeal process whereby either party to the order may appeal the Chief's decision to the Oil and Gas Commission pursuant to Section 1509.36 of the Ohio Revised Code.