

INFORMATIONAL NOTICE 20-08

Oct 14th, 2020

Mandatory Digital Submission of Multi-Spacing Unit Production Allocation

Manitoba Petroleum Branch requires that commencing May 23, 2011 the licensee of a horizontal well must submit digital files stating the production allocation for said well.

The Crown Royalty and Incentives Regulation states:

1(1) "drainage unit" means an area determined by the director in accordance with this regulation, that

- is allocated to a horizontal well for the purpose of producing oil and gas, and
- consists of all spacing units located within 100 m of the completed interval of the horizontal well:

The Oil and Gas Act defines a spacing unit as "the area allocated to a well for the purpose of producing oil and gas from a formation"

The Petroleum Branch requires the licensee to utilize a Manitoba Land Surveyor or duly authorized assistant of a Manitoba Land Surveyor to ensure that the horizontal well allocations are accurate. The licensee will need to submit final directional surveys to the surveyor in order to ensure that production allocations can be calculated. The final directional surveys, which are still required by the Petroleum Branch as per Informational Notice 08-06 and 08-03, will need to include the intermediate casing point or the point of entry into the producing zone. The spacing units in the 100 m buffer and the respective allocation percentage must also be submitted in a separate csv file.

For horizontal wells, the drainage unit is to be calculated from the completed interval which is the point of entry into the producing zone where the production casing is run from surface to total driller's depth (monobore), or from the intermediate casing point to the total driller's depth of the well.

The final As-Drilled file specifications are as follows:

- The file will contain the surveyed LSD location information conforming to NAD 83 standards (appropriate UTM grid zone)
- Legal description of each of the spacing units
- Identify the well licence, well name
- Must be submitted in pdf File naming convention: Company Name licence_number and bottomhole location (lsc, section, township, range, meridian) of the well. File names to be submitted in the following format: ABC_Oils_9999_04_07_13_27W1
- Calculations to be appended to original survey plat

CSV file specifications are as follows:

- Spacing units allocation and respective allocation percentages are to only be included
- Percentage of each spacing unit to seven decimal places
- Total production allocation must total exactly 100%
- Spacing unit format is as follows: LSD-Section-Township-Range (XX-XX-XXX-XX)
- Road allowances must be added to adjacent LSD and not separate entries

Here is the template for the CSV file:



Multi-Spacing Unit
Production Allocatic

Multi-spacing unit production allocation files must be submitted to the Manitoba Petroleum Branch within 30 days of finished drilling to petroleum@gov.mb.ca and ahmed.abdelrahman@gov.mb.ca If you have any questions regarding the production allocation submission, please contact:

Ahmed Abdelrahman
Petroleum Engineer
204-945-6575 or ahmed.abdelrahman@gov.mb.ca

A handwritten signature in black ink that reads "Peter Mraz". The signature is written in a cursive style with a large initial 'P' and 'M'.

Peter Mraz
A/Director of Petroleum