

December 13, 1978

Chevron Standard Limited
400 - Fifth Avenue S. W.
Calgary, Alberta
T2P 0L7

Attention: Mr. R. R. Mahaffey
General Attorney

Dear Sir:

Re: Unitization Orders

We acknowledge receipt of your letter dated November 29, 1978 requesting certified copies of Unitization Orders Nos. 25, 26, 27, 28, 29 and 30.

Inclosed please find two certified copies of each Unitization Order for filing with the Land Titles Office. Since our Branch has assumed the duties of the Chief Mining Recorder related to oil and natural gas recording functions we have taken the initiative of registering the subject Orders, thereby eliminating the need of sending you extra certified copies only to have you re-submit them to us for registration.

The registration of the Orders against all Crown Oil and Natural Gas Leases affected thereby has been completed under the following Document Nos.:

Doc. No. 1002-0	(December 11/78)	Unitization Order No. 25
Doc. No. 1003-0	(December 11/78)	Unitization Order No. 26
Doc. No. 1004-0	(December 11/78)	Unitization Order No. 27
Doc. No. 1005-0	(December 11/78)	Unitization Order No. 28
Doc. No. 1006-0	(December 11/78)	Unitization Order No. 29
Doc. No. 1007-0	(December 11/78)	Unitization Order No. 30

Please remit a cheque payable to the Minister of Finance in the amount of \$18.00 to cover the \$3.00 registration fee per Unitization Order filed.

Yours sincerely,

H. C. Moster, P. Eng.,
Director, Petroleum Branch.

LB/et
Incls.

THE REGULATIONS ACT
CERTIFICATE

(sec. 13 Reg. 1-45)

I, Derek Bedson, Clerk of the Executive Council,
hereby certify that the attached regulation marked "A" is a true copy of the original regulation:—

(a) entitled (or respecting) Unitization Order No. 30

(Title or Subject Matter)

(b) made pursuant to The Mines Act
(Act authorizing)

(c) by The Oil and Natural Gas Conservation Board

(d) on the 7th day of September A.D. 1978
(Date Regulation was made)

(e) approved of by Order-in-Council No. 915/78 on the 27th day of September
A.D. 19 78 on the recommendation of the Honourable the Minister of Mines,
Resources and Environmental Management

(f) which regulation comes into force on the day it is filed with the Registrar of Regulations (or the
1st day of October A.D. 1978) and

(g) replaces or amends regulation as follows: amends Manitoba Regulation 157/76 being
The Oil and Natural Gas Conservation Board Unitization Order No. 23.

I certify that the within instrument is duly entered and registered
in the office of the Petroleum Branch, Department of Mines,
Resources and Environmental Management, this 12th
day of December A.D. 1978

Doc. No. 1007-0

H. G. Foster
DIRECTOR, PETROLEUM BRANCH

DATED this 28th day of September A.D. 1978

Derek Bedson
Clerk of the Executive Council

This is exhibit "A" referred to
in the certificate of

Manitoba Regulation 186/78

Being

The Oil and Natural Gas Conservation Board

UNITIZATION ORDER NO. 30

Amending Unitization Order No. 23 Pertaining to

DALY UNIT NO. 3

Made and Passed Pursuant to "The Mines Act", Cap. M160, of the
Continuing Consolidation of the Statutes of Manitoba, and
Amendments Thereto, by The Oil and Natural Gas
Conservation Board of Manitoba

(Filed, September 29/78)

Effective at the hour of seven o'clock in the forenoon, official
time, on the first day of October, A.D., 1978, the Plan for Unit
Operation Governing the Unitized Management Operation and Further
Development of Daly Unit No. 3 set out in Unitization Order No. 23
(Manitoba Regulation 157/76) is amended as follows:

1. Section 5.09 is rescinded, and the following is substituted therefor:

5.09 Unit Operator shall keep minutes of the proceedings
of each meeting of the Operating Committee and a copy
thereof shall be forwarded to each member thereof. Such
minutes need not be a verbatim record of all the proceedings,
but shall show the names of the representatives present at
the meeting, all motions and resolutions offered or acted
upon, together with the result of such action and such
other formal action as may be taken by the Operating
Committee. Unless within forty-five (45) days of the date
of mailing of the minutes a member of the Operating
Committee advises Unit Operator of an error or omission
or otherwise in such minutes, such minutes shall be deemed
conclusively to be correct for all purposes. The Unit
Operator shall mail out the minutes of each meeting to
each member of the Operating Committee within 30 days
of the date of such a meeting.

2. Paragraph (j) of Section 6.03 is rescinded, and the following is
substituted therefor:

6.03(j) To amend Part XXVI hereof from time to time
whether in whole or in part, PROVIDED THAT, two copies
of any amendment to Part XXVI shall be filed with the
Conservation Board.

I hereby certify that the
regulation was filed in the office of
Registrar of Regulations on the
A.D. 1978 at 10:15 o'clock
in the forenoon as No. 186/78
Registrar of Regulation

3. Section 7.04 is rescinded, and the following is substituted therefor:

7.04 In addition to any expenditures which Unit Operator is specifically authorized to make, Unit Operator is authorized to make an expenditure not in excess of Twenty Thousand (\$20,000.00) Dollars, in respect to any single undertaking without the approval of the Operating Committee, or such other amount as may from time to time be approved by a vote of the Operating Committee, PROVIDED THAT, two copies of any such amendment approved by Operating Committee shall be filed with the Conservation Board. Unit Operator may, without approval of the Operating Committee, take such action and make such expenditures for the Common Account as it may deem necessary in order to protect life or property. Within fifteen (15) days after taking any such action or making such expenditures, Unit Operator shall advise the Operating Committee of such action and expenditures.

4. Paragraph (a) of Section 26.07 is rescinded, and the following substituted therefor:

(a) Salaries, wages and related expenses of Unit Operator's personnel, up to and including the first level of supervision, directly employed on the Joint Property in the development, maintenance and operation thereof, including salaries and wages paid to landmen acquiring rights-of-way, settling damage claims, etc., and to technical employees, such as geologists, engineers and other employees who are temporarily assigned to and located at and directly engaged on the Joint Property.

5. Clause (b) of Subparagraph (iii) of Paragraph (k) of Section 26.07 is rescinded, and the following is substituted therefor:

(b) \$65.00 per day for each drilling well, wells being plugged back, drilled deeper, reworked, or converted to source or input wells; charges to commence on the date the well is spudded or operations are commenced and terminate when the drilling rig or service rig as the case may be is released, except that no charge should be made during the suspension of drilling operations for fifteen (15) or more consecutive days.

6. Clause (c) of Subparagraph (iii) of Paragraph (k) of Section 26.07 is rescinded, and the following is substituted therefor:

(c) The charge in respect to construction of Unit Facilities including, but not limited to, water injection plant, battery consolidation, injection pipeline systems and water supply systems shall be calculated on direct expenditures on the following basis:

5% of expenditures up to \$50,000.00, plus
3% of expenditures over \$50,000.00 and up to \$150,000.00, plus
1% of all expenditures over \$150,000.00.

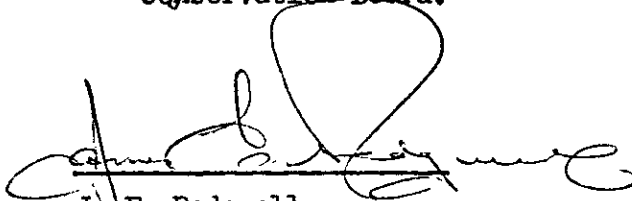
Oil and Natural Gas Unitization Order No. 30
made and passed this 7th day of *September*
A.D., 1978 at the City of Winnipeg in the
Province of Manitoba, by The Oil and
Natural Gas Conservation Board.



J. S. Roper,
Chairman,
The Oil and Natural Gas
Conservation Board.



Dr. Ian Haugh,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.



J. F. Redgwell,
Member,
The Oil and Natural Gas
Conservation Board.

Affected By Unitization Order #30
(Doc. No. 1007-0) (December 12/1978)

Lease #9	Ad's 1-2-7-8 of Sec. 12, Twp. 10, Rge. 28
Lease #21	Ad's 1-2-7-8 of Sec. 11, Twp. 10, Rge. 28
Lease #31	Ad's 3-4-5-6 of Sec. 12, Twp. 10, Rge. 28
Lease #55	Ad's 9-10-15-16 of Sec. 11, Twp. 10, Rge. 28.
Lease #68	Ad's 3-4-5-6 of Sec. 11, Twp. 10, Rge. 28
Lease #52	Ad's 9-10-16 of Sec. 10, Twp. 10, Rge. 28.
Lease #241	Ad. 13 of Sec. 6, Twp. 10, Rge. 27
Lease #245	Ad's 11-12-13-14 of Sec. 11, Twp. 10, Rge. 28.
Lease #246	Ad's 3-4-5-6 of Sec. 14, Twp. 10, Rge. 28.

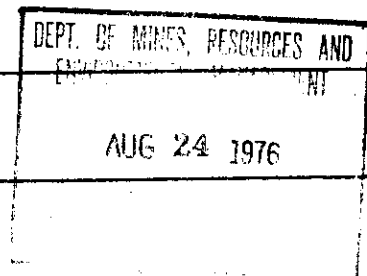
REMITTANCE FORM

NAME Chevron Standard Limited,

ADDRESS 400 - 5th Avenue SW,
Calgary, Alberta T2P 0L7

ON ACCOUNT OF _____

Payment of Registration Fees for Unitization
Order No. 23 [Daly Unit No. 3]



AMOUNT \$ 27.00

CASH ☐ CHEQUE ☒ MONEY ORDER ☐
No B 88806

REVENUE CODE 2-58

S. Bohdanowicz
 FINANCIAL SERVICES DIVISION

DATE Aug. 23/76
 Receipt No. 1145
 Amount 27.00 *LB*

CB #99



Chevron Standard Limited

400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

August 18, 1976

Daly Unit No. 3

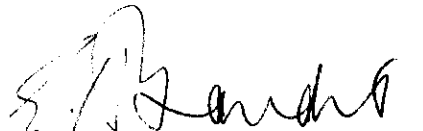
Mr. H. C. Moster, P. Eng.,
Director, Petroleum Branch,
Department of Mines, Resources and
Environmental Management,
993 Century Street,
Winnipeg, Manitoba.
R3H 0W4

Dear Sir:

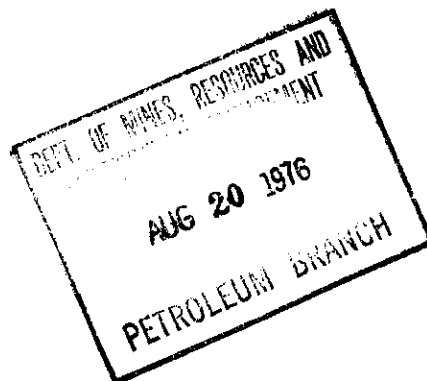
Thank you for your letter of August 11, 1976 with respect to the registration of the subject Unit against the Crown lands in the Unit Area.

Our cheque No. B 88806, in the sum of \$27.00, being the registration fee for the above is enclosed.

Yours very truly,


E. H. GAUDET

EHG/ps
Encl.



August 11, 1976

Chevron Standard Limited,
400 Fifth Avenue S. W.,
Calgary, Alberta.
T2P 0L7

Attention: Mr. E. H. Gaudet

Dear Sir:

Re: Daly Unit No. 3

On August 11th, 1976 under Doc. No. 950-0, all Crown Oil and Natural Gas Leases within Daly Unit No. 3 were registered as being subject to Unitization Order No. 23 (Daly Unit No. 3).

The Unitization Order has affected the following Oil and Natural Gas Leases:

Lease No.

✓9	L.S.D.'s 1-2-7-8, Sec. 12, Twsp. 10, Rge. 28 W.P.M.
✓21	L.S.D.'s 1-2-7-8, Sec. 11, Twsp. 10, Rge. 28 W.P.M.
✓31	L.S.D.'s 3-4-5-6, Sec. 12, Twsp. 10, Rge. 28 W.P.M.
✓55	L.S.D.'s 9-10-15-16, Sec. 11, Twsp. 10, Rge. 28 W.P.M.
✓63	L.S.D.'s 3-4-5-6, Sec. 11, Twsp. 10, Rge. 28 W.P.M.
✓152	L.S.D.'s 9-10-16, Sec. 10, Twsp. 10, Rge. 28 W.P.M.
✓241	L.S.D.'s 13, Sec. 6, Twsp. 10, Rge. 27 W.P.M.
✓245	L.S.D.'s 11-12-13-14, Sec. 11, Twsp. 10, Rge. 28 W.P.M.
✓246	L.S.D.'s 3-4-5-6, Sec. 14, Twsp. 10, Rge. 28 W.P.M.

The fee for the registration of this transaction is \$3.00 per Lease or \$27.00.

In reply to your letter dated August 3, 1976, it will not be necessary for your office to submit another copy of the Plan to the chief mining recorder.

Yours sincerely,

Original Signed by H. C. Moster

H. C. Moster, P. Eng.,
Director, Petroleum Branch

LB/cf

c.c. J. S. Roper

b.c.c. Registered copy of
Unit Order No. 23

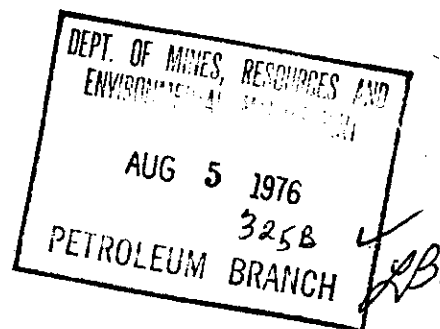


Chevron Standard Limited
400 - Fifth Ave. S.W., Calgary, Alberta T2P 0L7

R. R. Mahaffey
General Attorney

August 3, 1976

Daly Unit No. 3



Mr. J. S. Roper
Deputy Chairman
The Oil and Natural Gas Conservation Board
993 Century Street
Winnipeg, Manitoba
R3H 0W4

Dear Sir:

Thank you very much for your recent letter enclosing certified copies of Unitization Orders Nos. 17, 18, 19, 20, 21 and 23.

The final sentence of your letter advises "that the Department has a copy of Unitization Order No. 23 together with the Plan." Can I take it that you do not consider it necessary for us to "register" another copy of the Plan with the Department for purposes of The Mines Act?

Yours very truly,


E. H. GAUDET

EHG/nw

Manitoba Regulation 157/76

Being

THE OIL AND NATURAL GAS CONSERVATION BOARD
UNITIZATION ORDER NO. 23*Pertaining to the Unitized Management Operation and
Further Development of Daly Unit No. 3**Made and Passed Pursuant to "The Mines Act", Cap. M160, of the
Continuing Consolidation of the Statutes of Manitoba, and
Amendments Thereto, by The Oil and Natural Gas
Conservation Board of Manitoba*

(Filed July 12, 1976)

1. Effective at the hour of seven o'clock in the forenoon, official time, on the first day of July, A.D., 1976, a certain part of the Daly Field, to be known as the Unit Area, shall be operated as a unit in accordance with the Plan for Unit Operation Governing The Unitized Management Operation and Further Development of Daly Unit No. 3, and shall be known as the Daly Unit No. 3.
2. Parts XXII, XXIII, and XXIV, being excerpts from the Plan, and attached hereto, shall be published in The Manitoba Gazette.

Oil and Natural Gas Unitization Order No. 23,
made and passed this 1st day of June,
A.D., 1976, at the City of Winnipeg, in
the Province of Manitoba, by The Oil and
Natural Gas Conservation Board.

Approved:

"S. Green"

Sidney Green,
Minister of Mines, Resources and
Environmental Management.

"Jas. T. Cawley"

Jas. T. Cawley, P. Eng.,
Chairman,
The Oil and Natural Gas
Conservation Board.

"J.S. Roper"

J.S. Roper,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.

"Ian Haugh"

Dr. I. Haugh,
Member,
The Oil and Natural Gas
Conservation Board.

*Original Agreement & Order
was stamped and registered:
Doc. No. 950-0 on Aug. 11/76.*

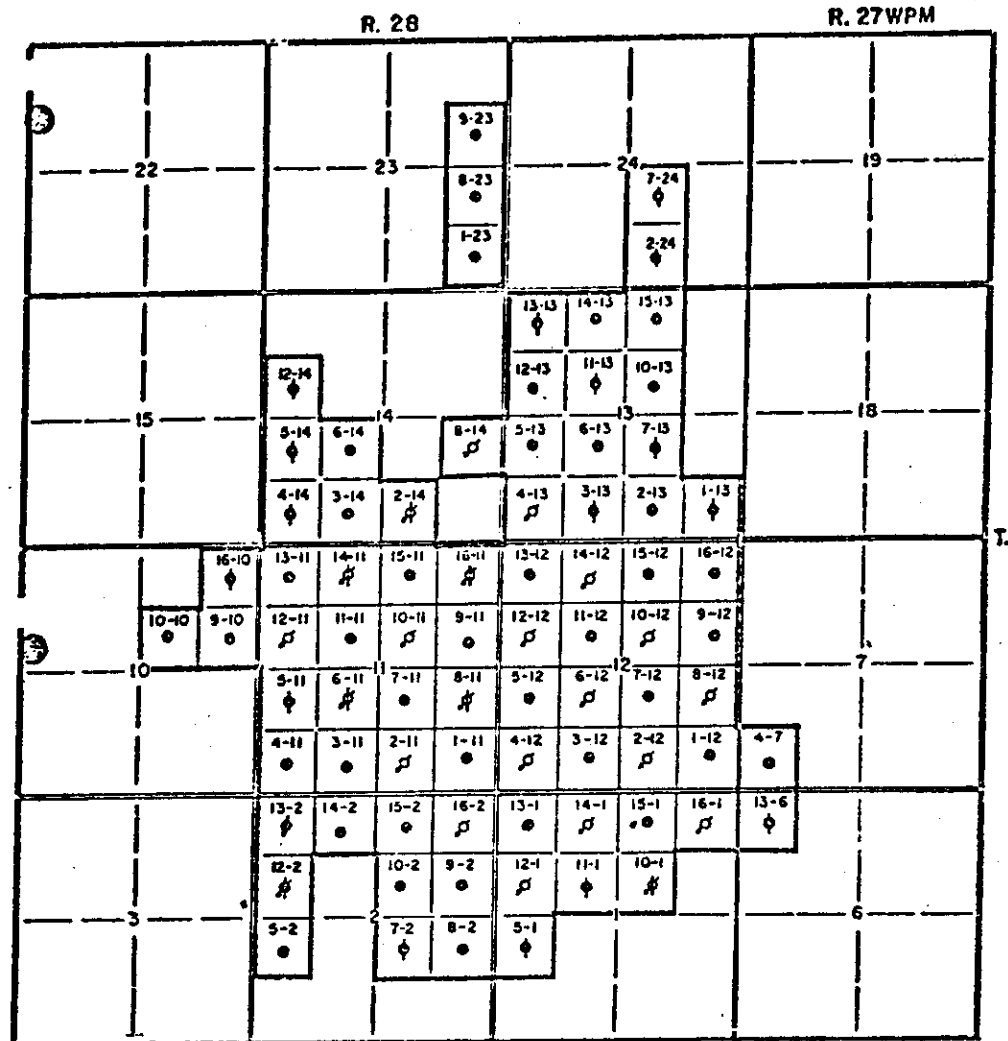
Printed by P.N. Crosbie — Queen's Printer for the Province of Manitoba

PART XXII

THE LANDS IN THE PROVINCE OF MANITOBA WHICH COMPRISE
THE DALY UNIT NO. 3 ARE AS FOLLOWS:

Tract No.	Legal Description	Tract No.	Legal Description
	Township 10, Range 27 WPM		Township 10, Range 28 WPM
13-6	LSD. 13, SECTION 6	16-2	LSD. 16, SECTION 2
4-7	LSD. 4, SECTION 7	9-10	LSD. 9, SECTION 10
	Township 10, Range 28 WPM	10-10	LSD. 10, SECTION 10
5-1	LSD. 5, SECTION 1	16-10	LSD. 16, SECTION 10
10-1	LSD. 10, SECTION 1	1-11	LSD. 1, SECTION 11
11-1	LSD. 11, SECTION 1	2-11	LSD. 2, SECTION 11
12-1	LSD. 12, SECTION 1	3-11	LSD. 3, SECTION 11
13-1	LSD. 13, SECTION 1	4-11	LSD. 4, SECTION 11
14-1	LSD. 14, SECTION 1	5-11	LSD. 5, SECTION 11
15-1	LSD. 15, SECTION 1	6-11	LSD. 6, SECTION 11
16-1	LSD. 16, SECTION 1	7-11	LSD. 7, SECTION 11
5-2	LSD. 5, SECTION 2	8-11	LSD. 8, SECTION 11
7-2	LSD. 7, SECTION 2	9-11	LSD. 9, SECTION 11
8-2	LSD. 8, SECTION 2	10-11	LSD. 10, SECTION 11
9-2	LSD. 9, SECTION 2	11-11	LSD. 11, SECTION 11
10-2	LSD. 10, SECTION 2	12-11	LSD. 12, SECTION 11
12-2	LSD. 12, SECTION 2	13-11	LSD. 13, SECTION 11
13-2	LSD. 13, SECTION 2	14-11	LSD. 14, SECTION 11
14-2	LSD. 14, SECTION 2	15-11	LSD. 15, SECTION 11
15-2	LSD. 15, SECTION 2	16-11	LSD. 16, SECTION 11

Tract No.	Legal Description	Tract No.	Legal Description
	Township 10, Range 28 WPM		Township 10, Range 28 WPM
1-12	LSD. 1, SECTION 12	6-13	LSD. 6, SECTION 13
2-12	LSD. 2, SECTION 12	7-13	LSD. 7, SECTION 13
3-12	LSD. 3, SECTION 12	10-13	LSD. 10, SECTION 13
4-12	LSD. 4, SECTION 12	11-13	LSD. 11, SECTION 13
5-12	LSD. 5, SECTION 12	12-13	LSD. 12, SECTION 13
6-12	LSD. 6, SECTION 12	13-13	LSD. 13, SECTION 13
7-12	LSD. 7, SECTION 12	14-13	LSD. 14, SECTION 13
8-12	LSD. 8, SECTION 12	15-13	LSD. 15, SECTION 13
9-12	LSD. 9, SECTION 12	2-14	LSD. 2, SECTION 14
10-12	LSD. 10, SECTION 12	3-14	LSD. 3, SECTION 14
11-12	LSD. 11, SECTION 12	4-14	LSD. 4, SECTION 14
12-12	LSD. 12, SECTION 12	5-14	LSD. 5, SECTION 14
13-12	LSD. 13, SECTION 12	6-14	LSD. 6, SECTION 14
14-12	LSD. 14, SECTION 12	8-14	LSD. 8, SECTION 14
15-12	LSD. 15, SECTION 12	12-14	LSD. 12, SECTION 14
16-12	LSD. 16, SECTION 12	1-23	LSD. 1, SECTION 23
1-13	LSD. 1, SECTION 13	8-23	LSD. 8, SECTION 23
2-13	LSD. 2, SECTION 13	9-23	LSD. 9, SECTION 23
3-13	LSD. 3, SECTION 13	2-24	LSD. 2, SECTION 24
4-13	LSD. 4, SECTION 13	7-24	LSD. 7, SECTION 24
5-13	LSD. 5, SECTION 13		

(Part XXIII)
MAP OF UNIT AREA

LEGEND

- - OILWELL
- ◊ - SUSPENDED OILWELL
- ♂ - INJECTION WELL
- 10-12 - NUMBERED TRACT
- - UNIT BOUNDARY

PART XXIV

Tract Number	Tract Participation	Tract Number	Tract Participation
13-6	0.01618	16-10	0.00864
4-7	1.22137	1-11	2.45346
5-1	0.02491	2-11	1.14999
10-1	0.48041	3-11	0.60268
11-1	0.00470	4-11	1.89342
12-1	0.92143	5-11	0.05433
13-1	2.57163	6-11	0.48240
14-1	1.70119	7-11	1.13485
15-1	1.92163	8-11	2.08095
16-1	0.82597	9-11	1.39662
5-2	0.37064	10-11	1.05654
7-2	0.02995	11-11	0.41786
8-2	2.85886	12-11	0.24683
9-2	1.68366	13-11	3.20655
10-2	1.11117	14-11	0.89668
12-2	0.01922	15-11	1.30393
13-2	1.01951	16-11	0.91258
14-2	1.71467	1-12	2.11323
15-2	1.11772	2-12	1.73832
16-2	1.69995	3-12	2.87039
9-10	0.97997	4-12	1.50999
10-10	1.50200	5-12	4.16933

Tract Number	Tract Participation	Tract Number	Tract Participation
6-12	2.17411	2-14	0.79490
7-12	1.23795	3-14	2.82838
8-12	0.41011	4-14	0.11702
9-12	0.61908	5-14	0.06822
10-12	1.30168	6-14	0.71371
11-12	1.86136	8-14	0.20142
12-12	1.90923	12-14	0.05596
13-12	1.01301	1-23	1.93305
14-12	1.14384	8-23	2.23083
15-12	2.58400	9-23	1.32371
16-12	1.30274	2-24	0.03959
1-13	0.04914	7-24	0.04449
2-13	2.50118		
3-13	0.04064		
4-13	0.46601		
5-13	1.19540		
6-13	4.08746		
7-13	0.03910		
10-13	3.54386		
11-13	0.08105		
12-13	2.63477		
13-13	0.08499		
14-13	2.12797		
15-13	1.74373		



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT
TRANSMITTAL MEMORANDUM

FOR

ORDERS - IN - COUNCIL

SUBJECT The Oil and Natural Gas Conservation Board Unitization Order No. 30

ORDERS-IN-COUNCIL PREPARED FOR A. Brian Ransom, Minister of Mines, Resources and Environmental Mgt.

ORDER-IN-COUNCIL PREPARED BY H. C. Moster, Director, Petroleum Branch

JUSTIFICATION PREPARED BY H. C. Moster DATE September 14 19 78

GENERAL PROCEDURES

1. This transmittal memorandum together with twenty-one copies of a justification document must accompany all Orders-in-Council sent to the Minister of Mines, Resources and Environmental Management.
2. This transmittal memorandum must accompany the Order-in-Council until its disposition by the minister, at which time it is requested that this memo be detached from the Order-in-Council and returned to the office mentioned below.
3. The following sequence must be maintained in the routing of the attached Order-in-Council, please sign this memorandum prior to routing to next area.
4. Originator must check appropriate boxes in alternate sections 2-6-7-8 are required.

Route	POSITION	APPROVAL SIGNATURES	Route	POSITION	APPROVAL SIGNATURES
1	ORIGINATOR Director Petroleum Br.	<i>H.C. Moster</i>	4	MINISTER	
2	<input type="checkbox"/> PLANNING		5	ATTORNEY GENERAL	
	<input type="checkbox"/> MANAGEMENT SERVICES		6	<input type="checkbox"/> CIVIL SERVICE COMMISSION	
	<input checked="" type="checkbox"/> Min. Res. Division	<i>Jan Angl</i>	7	<input type="checkbox"/> PLANNING and PRIORITIES <input type="checkbox"/> MANAGEMENT	
	<input type="checkbox"/> ENVIRONMENTAL MANAGEMENT				
	<input type="checkbox"/> RESOURCES MANAGEMENT				
	<input type="checkbox"/> WATER RESOURCES		8	<input type="checkbox"/> (ALTERNATIVE)	
3	DEPUTY MINISTER	<i>[Signature]</i>	9	DEPUTY MINISTER'S OFFICE	FOR PLACEMENT ON CABINET AGENDA

FOR MINISTER'S USE ONLY

☐

APPROVED

☐

NOT APPROVED

COMMENTS



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

ORDER - IN - COUNCIL JUSTIFICATION DOCUMENT

THE MINISTER OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT PROPOSES TO SUBMIT TO CABINET FOR APPROVAL, AN ORDER-IN-COUNCIL RELATING TO THE FOLLOWING SUBJECT MATTER.

SUBJECT The Oil and Natural Gas Conservation Board Unitization Order No. 30
Daly Unit No. 3 — Amendments to the Plan for Unit Operation.

BACKGROUND

Daly Unit No. 3, being part of the producing area in the Daly Field, was unitized by an Order of The Oil and Natural Gas Conservation Board (hereinafter referred to as the Board) in 1976 and approved by Order-in-Council No. 737/76.

On March 7, 1978, Chevron Standard Limited, as Unit Operator of Daly Unit No. 3, made application to the Board for approval of certain amendments to the "Plan for Unit Operation Governing the Unitized Management Operation and Further Development of Daly Unit No. 3".

The application was heard by the Board at a Public Hearing in Winnipeg, Manitoba on July 5, 1978, following which Unitization Order No. 30 was made and passed by the Board on September 7, 1978.

RECOMMENDATION:

That approval be given to Unitization Order No. 30 in accordance with subsection 78(5) of The Mines Act.

JUSTIFICATION:

The amendments to the Plan for Unit Operation are of a housekeeping nature and mainly pertain to changes in the accounting procedures to:

1. Provide for better overall efficiency for the operation of the Unit.
2. Bring the Plan for Unit Operation into line with other Plans of recently formed Units.
3. Allow the Unit Operator to increase the limit of charges and expenditures to account for inflation.
4. Place greater authority with the Operating Committee of the Unit to amend certain parts in the Plan for Unit Operation.

The evidence submitted at the Hearing satisfied the Board that the amendments to the Plan for Unit Operation were acceptable to the Board.

The amendments only affect the Working Interest Owners in the Unit and written consents were received from the majority of Working Interest Owners to each of the amendments.

The consents ranged from 99.38932% to 100% of the Working Interest in the Unit.

THIS DOCUMENT TO BE PREPARED UNDER THE CATEGORICAL HEADINGS:—

SUBJECT / BACKGROUND / RECOMMENDATIONS / JUSTIFICATION

THE REGULATIONS ACT
CERTIFICATE

(sec. 13 Reg. 1-45)

I, Derek Bedson, Clerk of the Executive Council,
hereby certify that the attached regulation marked "A" is a true copy of the original regulation:—

(a) entitled (or respecting) Unitization Order No. 30

(Title or Subject Matter)

(b) made pursuant to The Mines Act
(Act authorizing)

(c) by The Oil and Natural Gas Conservation Board


(d) on the 7th day of September A.D. 19 78
(Date Regulation was made)

(e) approved of by Order-in-Council No. 915/78 on the 27th day of September
A.D. 19 78 on the recommendation of the Honourable the Minister of Mines,
Resources and Environmental Management

(f) which regulation comes into force on the day it is filed with the Registrar of Regulations (or the
1st day of October A.D. 19 78) and

(g) replaces or amends regulation as follows: amends Manitoba Regulation 157/76 being
The Oil and Natural Gas Conservation Board Unitization Order No. 23.

DATED this 28th day of September A.D. 19 78


Clerk of the Executive Council

This is exhibit "A" referred to
in the certificate of

Manitoba Regulation 186/78

Being

The Oil and Natural Gas Conservation Board

UNITIZATION ORDER NO. 30

Amending Unitization Order No. 23 Pertaining to

DALY UNIT NO. 3

Made and Passed Pursuant to "The Mines Act", Cap. M160, of the
Continuing Consolidation of the Statutes of Manitoba, and
Amendments Thereto, by The Oil and Natural Gas
Conservation Board of Manitoba

(Filed, September 29/78)

Effective at the hour of seven o'clock in the forenoon, official
time, on the first day of October, A.D., 1978, the Plan for Unit
Operation Governing the Unitized Management Operation and Further
Development of Daly Unit No. 3 set out in Unitization Order No. 23
(Manitoba Regulation 157/76) is amended as follows:

1. Section 5.09 is rescinded, and the following is substituted therefor:

5.09 Unit Operator shall keep minutes of the proceedings
of each meeting of the Operating Committee and a copy
thereof shall be forwarded to each member thereof. Such
minutes need not be a verbatim record of all the proceedings,
but shall show the names of the representatives present at
the meeting, all motions and resolutions offered or acted
upon, together with the result of such action and such
other formal action as may be taken by the Operating
Committee. Unless within forty-five (45) days of the date
of mailing of the minutes a member of the Operating
Committee advises Unit Operator of an error or omission
or otherwise in such minutes, such minutes shall be deemed
conclusively to be correct for all purposes. The Unit
Operator shall mail out the minutes of each meeting to
each member of the Operating Committee within 30 days
of the date of such a meeting.

2. Paragraph (j) of Section 6.03 is rescinded, and the following is
substituted therefor:

6.03(j) To amend Part XXVI hereof from time to time
whether in whole or in part, PROVIDED THAT, two copies
of any amendment to Part XXVI shall be filed with the
Conservation Board.

I hereby certify that the within
regulation was filed in the office of the
Registrar of Regulations on the 29th day
of Sept A.D. 1978 at 4:15 o'clock
in the forenoon as No. 186/78
Anwar C. Bell
Registrar of Regulations

3. Section 7.04 is rescinded, and the following is substituted therefor:

7.04 In addition to any expenditures which Unit Operator is specifically authorized to make, Unit Operator is authorized to make an expenditure not in excess of Twenty Thousand (\$20,000.00) Dollars, in respect to any single undertaking without the approval of the Operating Committee, or such other amount as may from time to time be approved by a vote of the Operating Committee, PROVIDED THAT, two copies of any such amendment approved by Operating Committee shall be filed with the Conservation Board. Unit Operator may, without approval of the Operating Committee, take such action and make such expenditures for the Common Account as it may deem necessary in order to protect life or property. Within fifteen (15) days after taking any such action or making such expenditures, Unit Operator shall advise the Operating Committee of such action and expenditures.

4. Paragraph (a) of Section 26.07 is rescinded, and the following substituted therefor:

(a) Salaries, wages and related expenses of Unit Operator's personnel, up to and including the first level of supervision, directly employed on the Joint Property in the development, maintenance and operation thereof, including salaries and wages paid to landmen acquiring rights-of-way, settling damage claims, etc., and to technical employees, such as geologists, engineers and other employees who are temporarily assigned to and located at and directly engaged on the Joint Property.

5. Clause (b) of Subparagraph (iii) of Paragraph (k) of Section 26.07 is rescinded, and the following is substituted therefor:

(b) \$65.00 per day for each drilling well, wells being plugged back, drilled deeper, reworked, or converted to source or input wells; charges to commence on the date the well is spudded or operations are commenced and terminate when the drilling rig or service rig as the case may be is released, except that no charge should be made during the suspension of drilling operations for fifteen (15) or more consecutive days.

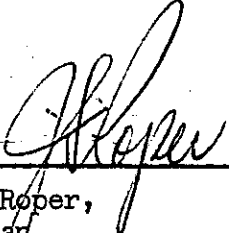
6. Clause (c) of Subparagraph (iii) of Paragraph (k) of Section 26.07 is rescinded, and the following is substituted therefor:

(c) The charge in respect to construction of Unit Facilities including, but not limited to, water injection plant, battery consolidation, injection pipeline systems and water supply systems shall be calculated on direct expenditures on the following basis:

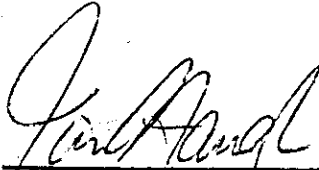
5% of expenditures up to \$50,000.00, plus
3% of expenditures over \$50,000.00 and up to \$150,000.00, plus
1% of all expenditures over \$150,000.00.

3—Unitization Order No. 30

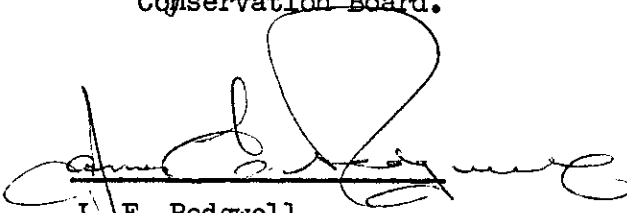
Oil and Natural Gas Unitization Order No. 30
made and passed this 7th day of September
A.D., 1978 at the City of Winnipeg in the
Province of Manitoba, by The Oil and
Natural Gas Conservation Board.



J. S. Roper,
Chairman,
The Oil and Natural Gas
Conservation Board.



Dr. Ian Haugh,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.



J. F. Redgwell,
Member,
The Oil and Natural Gas
Conservation Board.

SUBMISSION TO CABINET

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

SUBJECT:

The Oil and Natural Gas Conservation Board Unitization Order Nos. 25, 26, 27, 28, 29 and 30.

BACKGROUND:

At a Public Hearing on July 5, 1978 The Oil and Natural Gas Conservation Board (hereinafter referred to as the Board) heard applications by Chevron Standard Limited as Operator of the following six (6) Units:

North Virden Scallion Unit No. 1
Virden-Roselea Units Nos. 1, 2 and 3
Routledge Unit No. 1
Daly Unit No. 3

The applications pertained to proposed changes to the Plans for Unit Operation Governing the Unitized Management Operation and Further Development of each of the subject Units. The amendments are of a housekeeping nature and will give the Operating Committees of each of the Units greater authority to make changes in the accounting procedures and increase charges to account for inflation so as to provide for better efficiency in the operation of the Units. The proposed amendments will also bring these Plans into line with one another and with similar plans in effect in other units in the province.

Signed consents from a large majority of the parties in each of the Units to be affected by the proposed amendments were filed with the Board and no interested party appeared at the Hearing to present its objection.

On September 7, 1978 the Board made and passed Unitization Order Nos. 25, 26, 27, 28, 29 and 30.

RECOMMENDATION:

That approval be given to the subject six (6) Unitization Orders in accordance with subsection 78(5) of The Mines Act.

Original Signed By
A. BRIAN RANSOM

Minister.

78 09 14

SEP 21 1978



MANITOBA

Order-in-Council

915

No.

ON MATTERS OF STATE

To His Honour the Lieutenant-Governor-in-Council

The undersigned, The Minister of Mines, Resources and Environmental Management submits for approval of Council a report setting forth that:

WHEREAS, subsection (3) of Section 76 of The Mines Act, being Chapter M160 of The Continuing Consolidation of The Statutes of Manitoba provides as follows:

"76(3) If the board is of the opinion that the operation of the pool, field, or part thereof, as a unit would prevent waste therein having regard

- (a) to the production and recovery of oil and gas;
- (b) to the gathering and processing of gas;
- (c) to the disposal of salt water produced;
- (d) to the rights to each owner to a reasonable opportunity of recovering or receiving the oil and gas in which he has an interest or the equivalent thereof without being required to drill unnecessary wells or to incur other unnecessary expenses therefor; and
- (e) to any other circumstance pertaining to the drilling for or production of oil and gas;

the board may, with the approval of the Lieutenant Governor in Council, order that the pool, field, or part thereof, be operated as a unit.";

AND WHEREAS, subsection (4) of Section 78 of the said Act provides as follows:

"78(4) Upon receiving an application from a working interest owner under subsection (2) or (3), the board shall hold a re-hearing of the matters covered in, or hold a hearing to consider amendments to, the order.";

AND WHEREAS, subsection (5) of Section 78 of the said Act provides as follows:

"78(5) After holding a re-hearing of the matters covered in an order, or a hearing to consider amendments to an order, the board may, subject to the approval of the Lieutenant Governor in Council, make an order amending the order in any way or revoking the order and substituting a further order therefor, or revoking the order without any substitution.";

AND WHEREAS, The Oil and Natural Gas Conservation Board, by its Unitization Order No. 23, dated June 1, 1976, pursuant to Subsection 76(3) of The Mines Act, ordered that part of the Daly Field be operated as a Unit, to be known as Daly Unit No. 3;

AND WHEREAS, the said Order was approved by the Lieutenant-Governor-in-Council by Order-in-Council No. 737/76, and filed under The Regulations Act as Manitoba Regulation 157/76;

AND WHEREAS, Chevron Standard Limited, as the Unit Operator of Daly Unit No. 3, has applied to The Oil and Natural Gas Conservation Board pursuant to Section 78 of The Mines Act to make certain amendments to the above Order;

AND WHEREAS, The Oil and Natural Gas Conservation Board held a hearing on July 5, 1978 to consider the application by Chevron Standard Limited;

AND WHEREAS, The Oil and Natural Gas Conservation Board upon due consideration of the said application and testimony at the hearing and pursuant to Subsection 78(5) of The Mines Act has made Unitization Order No. 30, dated September 7, 1978, set out in the Schedule hereto, amending Unitization Order No. 23;

AND WHEREAS, it is deemed advisable to approve Unitization Order No. 30 of The Oil and Natural Gas Conservation Board set out in the Schedule hereto;

Copies to: Dr. I. Haugh
Clare Moster
Mr. Redgwell
/ie October 4, 1978

THEREFORE he, the Minister, recommends:

THAT, Unitization Order No. 30 of The Oil and Natural Gas Conservation Board,
set out in the Schedule hereto be approved.

Signature

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

27th September 1978

Date

President ~~Executive Member~~

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 27th day of September A.D. 1978

Lieutenant-Governor



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT
TRANSMITTAL MEMORANDUM

FOR

ORDERS - IN - COUNCIL

SUBJECT The Oil and Natural Gas Conservation Board Unitization Order No. 23

ORDERS-IN-COUNCIL PREPARED FOR Sidney Green, Minister of M., R. & E. M.

ORDER-IN-COUNCIL PREPARED BY H. C. Moster, Director, Petroleum Branch

JUSTIFICATION PREPARED BY H. C. Moster DATE June 7 19 76

GENERAL PROCEDURES

1. This transmittal memorandum together with twenty-one copies of a justification document must accompany all Orders-in-Council sent to the Minister of Mines, Resources and Environmental Management.
2. This transmittal memorandum must accompany the Order-in-Council until its disposition by the minister, at which time it is requested that this memo be detached from the Order-in-Council and returned to the office mentioned below.
3. The following sequence must be maintained in the routing of the attached Order-in-Council, please sign this memorandum prior to routing to next area.
4. Originator must check appropriate boxes in alternate sections 2-6-7-8 are required.

Route	POSITION	APPROVAL SIGNATURES	Route	POSITION	APPROVAL SIGNATURES
1	ORIGINATOR Director Pet. Br.		4	MINISTER	
2	<input type="checkbox"/> PLANNING		5	ATTORNEY GENERAL	
	<input checked="" type="checkbox"/> Min. Res. Division		6	<input type="checkbox"/> CIVIL SERVICE COMMISSION	
	<input type="checkbox"/> MINES/LANDS SURVEYING		7	<input type="checkbox"/> PLANNING and PRIORITIES	
	<input type="checkbox"/> ENVIRONMENTAL MANAGEMENT			<input type="checkbox"/> MANAGEMENT	
	<input type="checkbox"/> RESOURCES MANAGEMENT				
	<input type="checkbox"/> WATER RESOURCES		8	(ALTERNATIVE)	
3	DEPUTY MINISTER		9	DEPUTY MINISTER'S OFFICE	FOR PLACEMENT ON CABINET AGENDA

FOR MINISTER'S USE ONLY

☐ APPROVED

☐ NOT APPROVED

COMMENTS



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

ORDER - IN - COUNCIL JUSTIFICATION DOCUMENT

THE MINISTER OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT PROPOSES TO SUBMIT TO CABINET FOR APPROVAL, AN ORDER-IN-COUNCIL RELATING TO THE FOLLOWING SUBJECT MATTER.

SUBJECT The Oil and Natural Gas Conservation Board Unitization Order No. 23.

BACKGROUND

The Daly Field is located approximately 10 miles S.W. of Virden and was the first oil field discovered in Manitoba (1951). The Field presently contains 177 oil wells including 28 water injection wells, and has produced over 17 million barrels of oil.

The Oil and Natural Gas Conservation Board held a Public Hearing in Winnipeg, Manitoba on Friday, March 12th, 1976, with respect to an application by Chevron Standard Limited to unitize a portion of the Daly Field containing 80 wells.

Waterflooding was initiated in certain parts of the area to be unitized as early as 1951. At present 22 of the 80 wells in the proposed Unit area are water injection wells.

RECOMMENDATION

That approval be given to Unitization Order No. 23, as ordered by The Oil and Natural Gas Conservation Board.

JUSTIFICATION

The Unitization Order shall provide for a more efficient and economical operation within the unitized portion of the Field, thereby preventing waste and extending the life of the wells. Unitization will also enable the Unit Operator to enlarge the present waterflood scheme, thereby increasing the ultimate recovery of oil from the proposed Unit area.

The Board is satisfied with the Unitization Agreement, no objections to unitization were submitted by any interested party and written consents were received from Royalty Owners representing 92.82% of the royalty interests of the head lessors in the proposed Unit area and from Working Interest Owners representing 99.375% of the participating interests in the area.

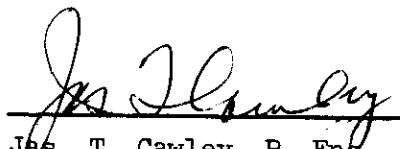
THIS DOCUMENT TO BE PREPARED UNDER THE CATEGORICAL HEADINGS:—

SUBJECT / BACKGROUND / RECOMMENDATIONS / JUSTIFICATION

THE REGULATIONS ACT
C E R T I F I C A T E

I, Jas. T. Cawley, P. Eng., Chairman of The Oil and Natural Gas Conservation Board, of Manitoba, hereby certify that the attached Regulation is a true copy of the original Order:—

- (a) entitled The Oil and Natural Gas Conservation Board Unitization Order No. 23;
- (b) made pursuant to "The Mines Act";
- (c) made by The Oil and Natural Gas Conservation Board, of Manitoba;
- (d) under date of the 1st day of June A. D., 1976;
- (e) which Regulation comes into force on the date of filing with the Registrar of Regulations.


Jas. T. Cawley, P. Eng.,
Chairman,
The Oil and Natural Gas
Conservation Board.

Being

THE OIL AND NATURAL GAS CONSERVATION BOARD

UNITIZATION ORDER NO. 23

Pertaining to the Unitized Management Operation and
Further Development of Daly Unit No. 3

Made and Passed Pursuant to "The Mines Act", Cap. M160, of
the Continuing Consolidation of the Statutes of Manitoba,
and Amendments Thereto, by The Oil and Natural
Gas Conservation Board of Manitoba

(Filed:

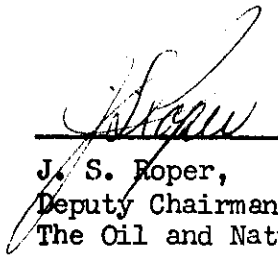
1. Effective at the hour of seven o'clock in the forenoon, official time, on the first day of July, A.D., 1976, a certain part of the Daly Field, to be known as the Unit Area, shall be operated as a unit in accordance with the Plan For Unit Operation Governing The Unitized Management Operation And Further Development Of Daly Unit No. 3, and shall be known as the Daly Unit No. 3.
2. Parts XXII, XXIII, and XXIV, being excerpts from the Plan, and attached hereto, shall be published in The Manitoba Gazette.

Oil and Natural Gas Unitization Order No. 23,
made and passed this 1st day of June
A.D., 1976, at the City of Winnipeg, in
the Province of Manitoba, by The Oil and
Natural Gas Conservation Board.

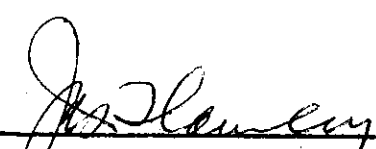
Approved:



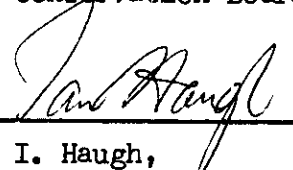
Sidney Green,
Minister of Mines, resources
and Environmental Management.



J. S. Roper,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.



Jas. T. Cawley, P. Eng.,
Chairman,
The Oil and Natural Gas
Conservation Board.



Dr. I. Haugh,
Member,
The Oil and Natural Gas
Conservation Board.

SCHEDULE

Clerk of the Executive Council

THE OIL AND NATURAL GAS CONSERVATION BOARD

UNITIZATION ORDER NO. 23


Pertaining to the Unitized Management Operation and
Further Development of Daly Unit No. 3

Made and Passed Pursuant to "The Mines Act", Cap. M160, of
the Continuing Consolidation of the Statutes of Manitoba,
and Amendments Thereto, by The Oil and Natural
Gas Conservation Board of Manitoba

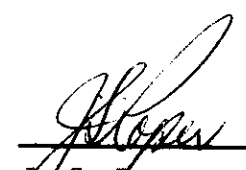
1. Effective at the hour of seven o'clock in the forenoon, official time, on the first day of July, A.D., 1976, a certain part of the Daly Field, to be known as the Unit Area, shall be operated as a unit in accordance with the Plan For Unit Operation Governing The Unitized Management Operation And Further Development Of Daly Unit No. 3, and shall be known as the Daly Unit No. 3.
2. Parts ~~XXII~~, ~~XXIII~~, and ~~XXIV~~, being excerpts from the Plan, and attached hereto, shall be published in The Manitoba Gazette.

Oil and Natural Gas Unitization Order No. 23,
made and passed this 13th day of June
A.D., 1976, at the City of Winnipeg, in
the Province of Manitoba, by The Oil and
Natural Gas Conservation Board.


Approved:



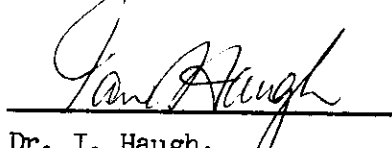
Sidney Green,
Minister of Mines, Resources
and Environmental Management.



J. S. Roper,
Deputy Chairman,
The Oil and Natural Gas
Conservation Board.



Jas. T. Cawley, P. Eng.,
Chairman,
The Oil and Natural Gas
Conservation Board.



Dr. I. Haugh,
Member,
The Oil and Natural Gas
Conservation Board.

PART XXII

THE LANDS IN THE PROVINCE OF MANITOBA WHICH COMPRISE
THE DALY UNIT NO. 3 ARE AS FOLLOWS:

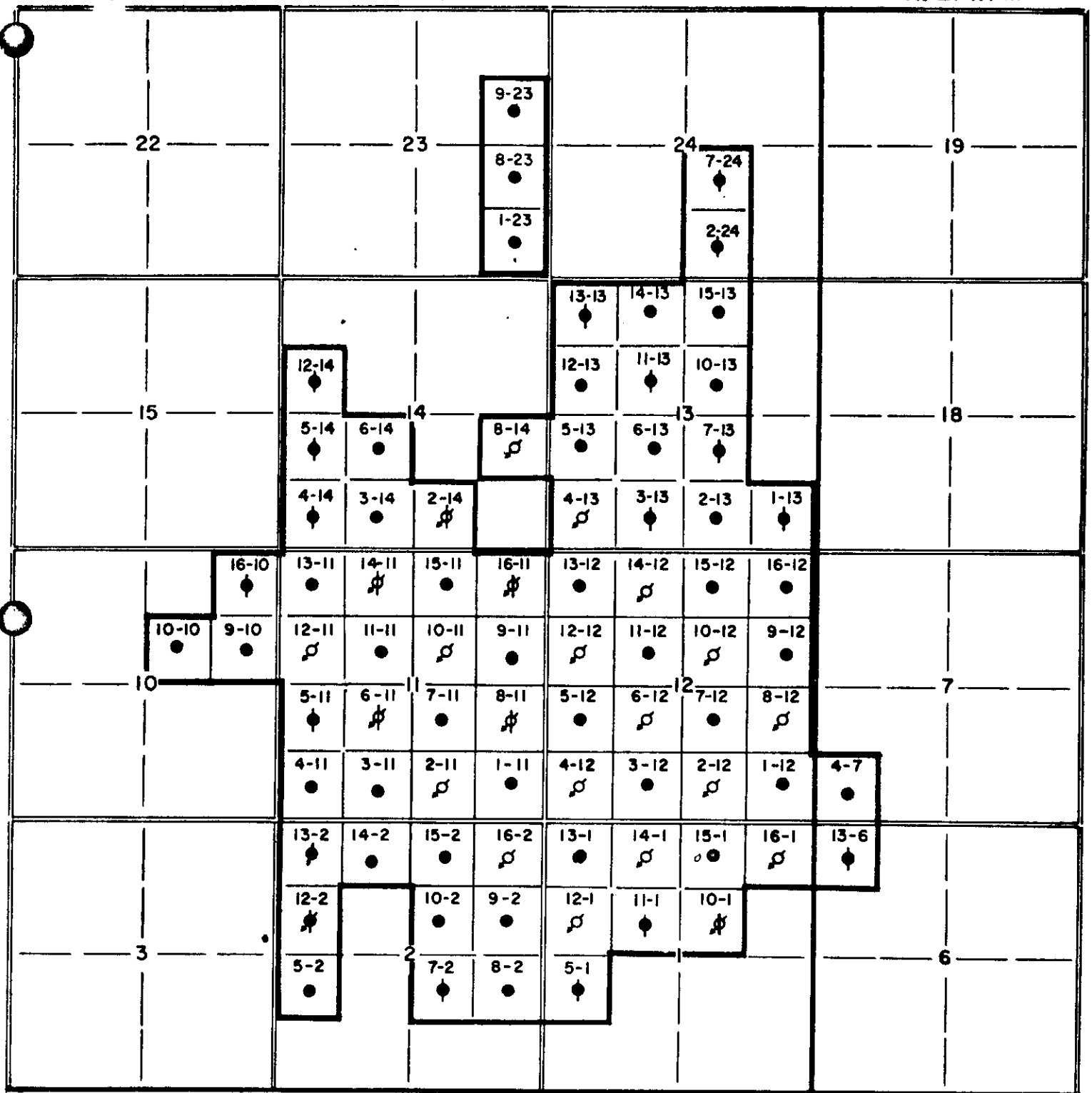
<u>TRACT NO.</u>	<u>LEGAL DESCRIPTION</u>	<u>TRACT NO.</u>	<u>LEGAL DESCRIPTION</u>
	<u>TOWNSHIP 10, RANGE 27 WPM</u>		<u>TOWNSHIP 10, RANGE 28 WPM</u>
13-6	LSD. 13, SECTION 6	16-2	LSD. 16, SECTION 2
4-7	LSD. 4, SECTION 7	9-10	LSD. 9, SECTION 10
	<u>TOWNSHIP 10, RANGE 28 WPM</u>	10-10	LSD. 10, SECTION 10
5-1	LSD. 5, SECTION 1	16-10	LSD. 16, SECTION 10
10-1	LSD. 10, SECTION 1	1-11	LSD. 1, SECTION 11
11-1	LSD. 11, SECTION 1	2-11	LSD. 2, SECTION 11
12-1	LSD. 12, SECTION 1	3-11	LSD. 3, SECTION 11
13-1	LSD. 13, SECTION 1	4-11	LSD. 4, SECTION 11
14-1	LSD. 14, SECTION 1	5-11	LSD. 5, SECTION 11
15-1	LSD. 15, SECTION 1	6-11	LSD. 6, SECTION 11
16-1	LSD. 16, SECTION 1	7-11	LSD. 7, SECTION 11
5-2	LSD. 5, SECTION 2	8-11	LSD. 8, SECTION 11
7-2	LSD. 7, SECTION 2	9-11	LSD. 9, SECTION 11
8-2	LSD. 8, SECTION 2	10-11	LSD. 10, SECTION 11
9-2	LSD. 9, SECTION 2	11-11	LSD. 11, SECTION 11
10-2	LSD. 10, SECTION 2	12-11	LSD. 12, SECTION 11
12-2	LSD. 12, SECTION 2	13-11	LSD. 13, SECTION 11
13-2	LSD. 13, SECTION 2	14-11	LSD. 14, SECTION 11
14-2	LSD. 14, SECTION 2	15-11	LSD. 15, SECTION 11
15-2	LSD. 15, SECTION 2	16-11	LSD. 16, SECTION 11

<u>TRACT NO.</u>	<u>LEGAL DESCRIPTION</u>	<u>TRACT NO.</u>	<u>LEGAL DESCRIPTION</u>
	<u>TOWNSHIP 10, RANGE 28 WPM</u>		<u>TOWNSHIP 10, RANGE 28 WPM</u>
1-12	LSD. 1, SECTION 12	6-13	LSD. 6, SECTION 13
2-12	LSD. 2, SECTION 12	7-13	LSD. 7, SECTION 13
3-12	LSD. 3, SECTION 12	10-13	LSD. 10, SECTION 13
4-12	LSD. 4, SECTION 12	11-13	LSD. 11, SECTION 13
5-12	LSD. 5, SECTION 12	12-13	LSD. 12, SECTION 13
6-12	LSD. 6, SECTION 12	13-13	LSD. 13, SECTION 13
7-12	LSD. 7, SECTION 12	14-13	LSD. 14, SECTION 13
8-12	LSD. 8, SECTION 12	15-13	LSD. 15, SECTION 13
9-12	LSD. 9, SECTION 12	2-14	LSD. 2, SECTION 14
10-12	LSD. 10, SECTION 12	3-14	LSD. 3, SECTION 14
11-12	LSD. 11, SECTION 12	4-14	LSD. 4, SECTION 14
12-12	LSD. 12, SECTION 12	5-14	LSD. 5, SECTION 14
13-12	LSD. 13, SECTION 12	6-14	LSD. 6, SECTION 14
14-12	LSD. 14, SECTION 12	8-14	LSD. 8, SECTION 14
15-12	LSD. 15, SECTION 12	12-14	LSD. 12, SECTION 14
16-12	LSD. 16, SECTION 12	1-23	LSD. 1, SECTION 23
1-13	LSD. 1, SECTION 13	8-23	LSD. 8, SECTION 23
2-13	LSD. 2, SECTION 13	9-23	LSD. 9, SECTION 23
3-13	LSD. 3, SECTION 13	2-24	LSD. 2, SECTION 24
4-13	LSD. 4, SECTION 13	7-24	LSD. 7, SECTION 24
5-13	LSD. 5, SECTION 13		

PART XXIII
MAP OF UNIT AREA

R. 28

R. 27WPM



LEGEND

- - OILWELL
- ◐ - SUSPENDED OILWELL
- ◑ - INJECTION WELL
- 10-12 - NUMBERED TRACT
- - UNIT BOUNDARY

PART XXIV

<u>TRACT NUMBER</u>	<u>TRACT PARTICIPATION</u>	<u>TRACT NUMBER</u>	<u>TRACT PARTICIPATION</u>
13-6	0.01618	16-10	0.00864
4-7	1.22137	1-11	2.45346
5-1	0.02491	2-11	1.14999
10-1	0.48041	3-11	0.60268
11-1	0.00470	4-11	1.89342
12-1	0.92143	5-11	0.05433
13-1	2.57163	6-11	0.48240
14-1	1.70119	7-11	1.13485
15-1	1.92163	8-11	2.08095
16-1	0.82597	9-11	1.39662
5-2	0.37064	10-11	1.05654
7-2	0.02995	11-11	0.41786
8-2	2.85886	12-11	0.24683
9-2	1.68366	13-11	3.20655
10-2	1.11117	14-11	0.89668
12-2	0.01922	15-11	1.30393
13-2	1.01951	16-11	0.91258
14-2	1.71467	1-12	2.11323
15-2	1.11772	2-12	1.73832
16-2	1.69995	3-12	2.87039
9-10	0.97997	4-12	1.50999
10-10	1.50200	5-12	4.16933

<u>TRACT NUMBER</u>	<u>TRACT PARTICIPATION</u>	<u>TRACT NUMBER</u>	<u>TRACT PARTICIPATION</u>
6-12	2.17411	2-14	0.79
7-12	1.23795	3-14	2.82838
8-12	0.41011	4-14	0.11702
9-12	0.61908	5-14	0.06822
10-12	1.30168	6-14	0.71371
11-12	1.86136	8-14	0.20142
12-12	1.90923	12-14	0.05596
13-12	1.01301	1-23	1.93305
14-12	1.14384	8-23	2.23083
15-12	2.58400	9-23	1.32371
16-12	1.30274	2-24	0.03959
1-13	0.04914	7-24	0.04449
2-13	2.50118		
3-13	0.04064		
4-13	0.46601		
5-13	1.19540		
6-13	4.08746		
7-13	0.03910		
10-13	3.54386		
11-13	0.08105		
12-13	2.63477		
13-13	0.08499		
14-13	2.12797		
15-13	1.74373		



MANITOBA

Order-in-Council

No. 737

ON MATTERS OF STATE

To His Honour the Lieutenant-Governor-in-Council

The undersigned, The Minister of Mines, Resources and Environmental Management submits for approval of Council a report setting forth that:

WHEREAS, subsections (1) and (2) of Section 75 of "The Mines Act", being Chapter M160 of the Continuing Consolidation of the Statutes of Manitoba, provide as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown.";

AND WHEREAS, subsections (1), (2) and (3) of Section 76 of "The Mines Act" provide as follows:

"76(1) The board, upon its own motion, may, or, upon the application of a working interest owner of a tract that exceeds a spacing unit in area, and that is within the pool, field, or part thereof, shall hold a hearing to consider the advisability or necessity for the operation of a pool, field, or part thereof, as a unit.

76(2) A working interest owner applying to the board under subsection (1) shall apply in writing and shall submit to the board a proposed plan of unit operation of the proposed unit area containing the terms and conditions that the applicant desires to be included in the order, together with such number of copies of the plan and such other information as the board may require.

76(3) If the board is of the opinion that the operation of the pool, field, or part thereof, as a unit would prevent waste therein having regard

(a) to the production and recovery of oil and gas;

(b) to the gathering and processing of gas;

(c) to the disposal of salt water produced;

(d) to the rights of each owner to a reasonable opportunity of recovering or receiving the oil and gas in which he has an interest or the equivalent thereof without being required to drill unnecessary wells or to incur other unnecessary expenses therefor; and

(e) to any other circumstance pertaining to the drilling for or production of oil and gas;

the board may, with the approval of the Lieutenant Governor in Council, order that the pool, field, or part thereof, be operated as a unit.";

Copies to: Mr. J. S. Roper
Dr. I. Haugh
Mr. Moster ✓

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AND WHEREAS, Section 77 of "The Mines Act" provides as follows:

"77 The board shall not make an order under subsection (3) of section 76 unless

(a) the working interest owners of over seventy-five per centum of the area of the proposed unit area have agreed in writing to the proposed plan of unit operation, or, if one working interest owner is the working interest owner of seventy-five per centum or more, but less than one hundred per centum, of the area of the proposed unit area, that working interest owner and at least one other working interest owner of a tract in the proposed unit area, have agreed in writing to the proposed plan of unit operation; and

(b) the royalty owners having seventy-five per centum of the royalty interests of the head lessors in the oil and gas produced from the unit area have agreed in writing to the proposed plan of unit operation, or, if one royalty owner has seventy-five per centum or more of the royalty interests of the head lessors in the oil and gas produced from the unit area but does not have all such royalty interests, that royalty owner and at least one other royalty owner having such royalty interests, have agreed in writing to the proposed plan of unit operation.";

AND WHEREAS, The Oil and Natural Gas Conservation Board received an application from Chevron Standard Limited, on behalf of itself in the Daly Field in Manitoba, requesting the Board to hold a Hearing to consider the advisability or necessity for the operation of a certain part of the Daly Field in Manitoba as a unit, and to consider a proposed plan of unit operation of the proposed unit area;

AND WHEREAS, the plan necessitates the pooling, consolidation, and merging of certain oil and gas leases, issued by the Crown, with other owners of oil and gas rights;

AND WHEREAS, the plan provides for the payment of royalty due to the Crown on the basis of tract participation, as set out in the said plan;

AND WHEREAS, the Board, pursuant to Section 76 of "The Mines Act", held a Public Hearing on March 12th, 1976, for the purpose of considering a Plan for Unit Operation Governing the Unitized Management Operation and Further Development of Daly Unit No. 3;

AND WHEREAS, upon due consideration of the submissions and testimony at the Hearing, the Board has found:

(a) That the operation as a Unit of a certain part of the Daly Field in Manitoba, as more particularly delineated in the Plan for Unit Operation Governing the Unitized Management Operation and Further Development of Daly Unit No. 3, is necessary to prevent waste and to increase the recovery of oil;

(b) That the value of the estimated additional recovery of oil resulting from such operation will exceed the estimated additional cost incidental to the conduct of such operation;

(c) That such operation will result in general advantage to the owners of oil and gas rights within the proposed unit area;

(d) That the provisions of Section 77 of "The Mines Act" have been complied with;

AND WHEREAS, subsections (1) and (3) of Section 4 of "The Regulations Act", being Chapter R60 of the Revised Statutes of Manitoba, 1970, provide as follows:

"4(1) Subject to subsections (2) and (3), the registrar shall, within one month of the filing thereof, publish every regulation in The Manitoba Gazette,

4(3) Where a regulation, in the opinion of the Lieutenant Governor in Council,

(a) is of such length as to render publication thereof in The Manitoba Gazette unnecessary or undesirable; and

(b) is or will be available to all persons who are likely to be interested therein;

the Lieutenant Governor in Council, by order in council, may dispense with the publication thereof; and the regulation, upon registration thereof, is as valid against all persons as if it had been published.";

AND WHEREAS, on the 1st day of June, 1976, The Oil and Natural Gas Conservation Board made Unitization Order No. 23, as set out in the Schedule attached hereto;

AND WHEREAS, it is deemed necessary and expedient that the said Order be approved, and that the publication of the Plan, referred to in the said Unitization Order, in The Manitoba Gazette be dispensed with.

THEREFORE he, the Minister, recommends:

1. THAT, the Minister of Mines, Resources and Environmental Management be authorized to consent to the Plan, commonly known as the Plan for Unit Operation Governing the Unitized Management Operation and Further Development of Daly Unit No. 3.
2. THAT Unitization Order No. 23 and Plan attached thereto, made by The Oil and Natural Gas Conservation Board on the 1st day of June, 1976, be approved.
3. THAT publication of the Plan, attached to the said Unitization Order No. 23, in The Manitoba Gazette be dispensed with.

Signature

KILLARNEY
MINISTER

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

29th June 1976

Date

President ~~or Presiding Member~~

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this29th.... day of June A.D. 1976...

Lieutenant Governor