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**Rules of**  
**Department of Natural Resources**  
**Division 50—Oil and Gas Council**  
**Chapter 4—Authorization of Pooling Units and**  
**Unitization Agreements for Oil and Gas Pools**

<b>Title</b>	<b>Page</b>
<b>10 CSR 50-4.010</b> Application for Authorization of a Pooling Unit for Primary Production.....	3
<b>10 CSR 50-4.020</b> Application for Authorization of Unitization for Enhanced Recovery .....	3



**Title 10—DEPARTMENT OF  
NATURAL RESOURCES**  
**Division 50—Oil and Gas Council**  
**Chapter 4—Authorization of Pooling  
Units and Unitization Agreements for  
Oil and Gas Pools**

**10 CSR 50-4.010 Application for Author-  
ization of a Pooling Unit for Primary Pro-  
duction**

*PURPOSE:* This rule sets forth the procedure for pooling mineral interests of separately-owned tracts, portions of tracts, or interests within a single spacing unit for primary production, to allow for the development and operations of the spacing unit.

(1) Before the commencement of drilling a well in a spacing unit, all owners, whether ownership is by deed or lease or farmout, shall enter into a contractual agreement whereby every owner pays his or her mutually agreed fair share of the drilling and operating costs and receives his or her fair share of the oil or gas or the profits produced therefrom. Contractual agreement is achieved by way of the pooling process pursuant to section 259.110, RSMo. The pooling process may be either voluntary or involuntary, as defined as follows:

(A) A voluntary pooling occurs when all owners of mineral interests enter into a private contractual agreement willingly and of their own accord. Voluntary poolings are executed privately with no involvement by the council; and

(B) An involuntary pooling occurs when one (1) or more owners of mineral interests are not able to enter into a private contractual agreement willingly and of their own accord, and the council, upon application by any interested owner and after notice and hearing, issues a pooling order that serves as the binding contractual agreement.

*AUTHORITY:* sections 259.110 and 259.120, RSMo 2000.\* Original rule filed Sept. 12, 1973, effective Sept. 22, 1973. Amended: Filed Sept. 15, 2015, effective March 30, 2016.

\*Original authority: 259.110, RSMo 1965 and 259.120, RSMo 1965, amended 1972.

**10 CSR 50-4.020 Application for Authoriza-  
tion of Unitization for Enhanced Recovery**

*PURPOSE:* This rule sets forth a procedure for small- to large-scale cooperative development and operation projects that are designed

to maximize ultimate recovery of oil and gas from the entirety of a single pool or particular portion thereof through the use of enhanced recovery projects within production units. Similar to the pooling process for primary production, unitization of production units for enhanced recovery involves contractual agreements between different owners and/or operators of existing producing wells, and a decision as to which one (1) of the operators will operate the production unit as a whole.

(1) The council, upon the written request of an applicant and upon receipt of the information specified in section (2) of this rule and after notice and hearing, may approve the implementation of a production unit of a specified size and shape, and a well configuration of a certain nature of operation, for the purpose of a cooperative development and operation project designed to maximize the ultimate recovery of oil or gas or both from the entirety of a single pool or particular portion thereof. All operators and owners in the proposed production unit shall enter into contractual agreement such that one (1) party is designated the operator of the production unit as a whole, and every owner pays his or her mutually agreed fair share of the drilling and operating costs and receives his or her fair share of the oil, gas, or both produced from the unit, or the profits derived from such production. Contractual agreement is achieved by way of the unitization process, which is either voluntary or involuntary as defined as follows:

(A) A voluntary unitization occurs when all operators and owners in the proposed production unit area are able to enter into a private contractual agreement willingly and of their own accord; and

(B) An involuntary unitization occurs when one (1) or more operators or owners are not able to enter into a private contractual agreement willingly and of their own accord, and the council, upon application by any person or party representing the voluntarily agreed production unit proponents that collectively hold at least seventy-five percent (75%) of the right to drill into and to produce oil and gas from the pool and at least seventy-five percent (75%) of all mineral interest and after notice and hearing, may approve the implementation of the production unit and issue a unitization order that serves as a binding contractual agreement for all parties and that, if necessary, designates the operator of the production unit as a whole.

(2) Any applicant for a production unit for the purpose of a cooperative development and operation project for enhanced recovery shall

provide the following information to the council thirty (30) calendar days prior to the date of hearing:

(A) A description of the proposed production unit area, as specified in 10 CSR 50-3.020(2);

(B) A detailed description of the exact nature of the proposed unit operations; and

(C) Conformed copies of the applicable agreements, which may be composites of the executed counterparts.

*AUTHORITY:* sections 259.110 and 259.120, RSMo 2000.\* Original rule filed Sept. 15, 2015, effective March 30, 2016.

\*Original authority: 259.110, RSMo 1965 and 259.120, RSMo 1965, amended 1972.