



## Production Allowables in Unitized Areas

**1** The department's policy with respect to maximum permissive rates and restriction on production of oil following the formation of an oil unit operation under the unitization provisions of *The Oil and Gas Conservation Act* may be stated as follows:

Subject to the necessity for market proration, once unitization has been effected in any pool it is generally not necessary to place restrictions on production allowables. This policy approach is based upon the premise that unitization protects the equity interest in the pool and that the unit operator will exercise prudence with respect to production methods in order to achieve maximum ultimate recovery to the benefit of all owners concerned. However, with respect to a unit which encompasses only a portion of a pool this policy may be modified depending on the circumstances.

**2** In all cases, it is the responsibility of the operator of a voluntary unit to make application for a Minister's Order exempting a unit from the provisions governing the limitation and allocation of production of oil.

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