

## **POOLING AGREEMENTS FOR STATE LEASES AND UNLEASED RIVERBEDS GUIDELINES**

The pooling of State Leases or Lands is for the purpose of conservation and unitization of the pooled mineral(s), to prevent waste, to facilitate orderly development, and to preserve correlative rights. The General Land Office (GLO) will enter into Pooling Agreements if they are determined to be in the best interest of the State. The School Land Board (Board) must approve the pooling of State Leases (except for certain highway rights-of-way leases which have limited pooling authority pursuant to their lease terms).

Pooling agreements approved by the Board must be executed by the Commissioner of the GLO to be effective.

These guidelines concern pooling State Leases per Chapter 52, Subchapter E of the Texas Natural Resources Code (Code) and pooling Unleased Riverbeds and Channels under 52.076 of the Code, which provides that the Board may pool or bring an action to force pool riverbeds and channels.

**Note:** A request to pool Unleased State Right-of-Way or Unleased County Roads as provided for by Section 32.207 of the Texas Natural Resources Code requires a different application and process than outlined below. See other Guidelines on the GLO's website for including an Unleased Highway Right-of-Way or Unleased County Road in a pooled unit.

### **Application Instructions**

To request GLO approval of a pooling agreement, an operator or lessee must first submit:

- (1) the GLO's Pooling Application Form, accompanied by a plat;
- (2) a \$500.00 processing fee; and
- (3) any explanatory notes or additional items to be considered. The GLO may require supplementary information to evaluate the application.

### **Information to be submitted with the Application**

1. All pooling agreement applications must be accompanied by a legible, accurate plat. Submit plat both as hard copy and electronically (coverage, shapefile, or geodatabase), or georeferenced CAD files acceptable, when available. The plat is to be at a scale of 1" =1000' and include an accurate bar graph. If necessary, submit the large area plat at a scale of 1" =2000'. The plat shall include all of the following:
  - a. Point of beginning.
  - b. Two (2) known coordinates.
  - c. Field notes/metes and bounds.
  - d. Section and abstract numbers with survey names, county names, block names, lot, subdivision, etc.
  - e. Indicate all state leases by shading or hatching. Identify the state lease (MF) number(s), if applicable.
  - f. A north arrow.
  - g. Surface locations for all directional and horizontal wells, indicating the penetration points and terminus locations of all bottom hole(s). Include length of lateral if horizontal well.
  - h. Note the 10-digit API number at the surface locations, if available.
2. RRC Form W-1, W-2, or G-1, as applicable.
3. Date of first production and sales from unit well(s), if applicable.

4. Unit and regional maps:
  - a. Include structure map, if structural.
  - b. Include unit outline on all maps submitted.
5. Copy of recorded Designation or Declaration of Pooled Unit or Unit Agreement, if available. This is applicable when the State is going to ratify a unit rather than using the State's form of Pooling Agreement. Examples would be when the state lease is a free royalty lease, secondary recovery units and pooling unleased riverbeds or unleased highway rights-of-way into an existing unit.
6. Analog field and special field rules, where applicable.
7. Names of all working interest owners who will join in the execution of the Pooling Agreement.
8. Names and respective capacities (e.g., president, vice-president, attorney-in-fact, etc.) of the persons authorized by the working interest owners to execute the agreement.
9. Names of all owners of the soil who have not authorized pooling and will be executing the agreement.
10. A gradient boundary survey may be required of riverbeds, if the entire State lease is not included in the unit, or for unleased riverbeds, if a sufficient legal description and/or acreage estimate is not available.
11. Other requested data.

Any proprietary information such as geologic maps, electric logs, seismic records, and other such data should be clearly labeled as confidential and shall be kept confidential as required by law, and upon request of applicant will be returned after examination by GLO staff. Well logs follow Railroad Commission confidentiality requirements.

### **Pooling Process**

All applications are reviewed by the Pooling Committee, which makes recommendations to the Board. The Pooling Committee consists of representatives from the General Land Office and Governor's Office.

If needed, an initial meeting with GLO Staff will be scheduled at a mutually agreeable time. The Pooling Committee will prepare a Pooling Committee Report that will be presented to the Board, recommending either approval or denial of the proposed unit.

A plat showing the outline of the unit with well locations will accompany the Report and may be shown at the Board meeting.

After approval of the application by the Board, a Pooling Agreement or Ratification, if applicable, will be prepared by the General Land Office for execution by the Applicant and the Commissioner.

Applications and attachments must be emailed to [Pooling-PSA@GLO.Texas.Gov](mailto:Pooling-PSA@GLO.Texas.Gov) so that staff may begin the review process. Please then follow with hard copies and fee mailed to:

Pooling-PSA Applications  
Energy Resources Division/Texas General Land Office  
1700 North Congress Ave., Suite 840  
Austin, Texas 78701

**Miscellaneous Notes on Pooling:**

-The application and supporting data must be submitted to the GLO at least **thirty (30) working days** prior to the meeting at which the Board is to consider the application. The Board usually meets the first or third Tuesday of every month at 10:00 a.m. in Room 170, Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas. Please note the schedule is subject to change.

-Applications will be on the School Land Board consent agenda, unless applicant is notified of a change.

-In certain situations, the Board's policy is to approve a temporary or fixed term unit agreement if the unit well has not been drilled and completed or the proposed unit acreage has not been drilled to density. A standard pooled unit may be approved after the unit well is drilled and completed or if the proposed unit acreage has been or will be drilled to density. Please indicate which situation is applicable. If a temporary unit is initially approved, a new application will be required to extend the temporary unit and should be filed prior to the expiration date of the temporary unit.

**-In accordance with Title 31, Rule §9.32 – Texas Administrative Code – any well drilled on State Fee or Relinquishment Act tracts “shall be identified as a state well in the RRC records by using “State” as the first word in its designated RRC name”. For identifying purposes, “State” must also be used in the unit name.**