

diately upon encountering high pressure gas, oil or water, the flow can be effectively controlled and shut in.

34. In all proven or well-defined oil or gas fields, or where it can reasonably be expected that oil or gas in commercial quantities will be encountered, adequate preparation shall be made for the conservation of oil and gas before "drilling-in" a well, and the oil or gas horizons shall not be penetrated until proper equipment, as approved by the Supervisory Engineer, shall have been provided.

35. The recorded owner of a petroleum and natural gas location shall not allow a well drilled on such location to be shot, until the Supervisory Engineer has been notified in writing of such contemplated action, and his consent obtained, and such shooting shall be so conducted as to prevent the access of water or other foreign substance which might prove injurious to the oil or gas sands. The recorded owner of the location shall submit to the Supervisory Engineer a report, on a form to be obtained from the Supervisory Engineer, on all wells shot, showing the condition of the well before and after shooting, including the size of the shot, sand or sands shot, production before and after shooting, and percentage of water in the well before and after shooting. In case irreparable injury is done to the well by shooting, it shall immediately be plugged and abandoned, to the satisfaction of the Supervisory Engineer.

This clause shall be understood to cover the use of any explosive in or at a bore-hole regardless of quantity or purpose.

36. The recorded owner of a petroleum and natural gas location shall, between the first and tenth of each calendar month, or at such times as the Superintendent General may direct, take a gauge of the volume and rock pressure of all wells producing gas in the manner prescribed by the Superintendent General, and shall forward the same to the Supervisory Engineer on gauge blanks to be supplied by him.

37. When gas from any well is being used, the flow of production thereof shall be restricted to forty per cent of the potential capacity of the well, as shown by the last monthly gauge, provided that the Superintendent General may, in his discretion, allow such additional percentage to be used as he may deem expedient.

38. If production of oil or gas is being obtained from any well, or wells, on a location acquired under the regulations, it shall be the duty of the recorded owner of such location to file with the Supervisory Engineer, on request, on forms to be obtained from the Supervisory Engineer, but not oftener than once a month, a statement showing:

- (a) The quantity of oil or gas produced from each well during the period indicated in such statement.
- (b) The specific gravity of such oil or gas.
- (c) The quantity of water produced from each well, estimated by methods approved by the Superintendent General.
- (d) The number of days during which oil or gas was produced from each well.
- (e) The number of wells on the location being drilled, producing, idle or abandoned.

39. When natural gas from any well drilled, or that may be drilled under the regulations, contains natural gasoline or casinghead gasoline, such natural gas shall be conserved and such natural gasoline shall be subject to the same regulations as are applied to oil, within the meaning of the Petroleum Regulations, provided that when such natural gas is produced with oil or water, such natural gas shall be efficiently separated from the oil, natural gasoline or water.

The method of separation as well as the type and size of such separators as may be used shall be subject to the approval of the Supervisory Engineer, and the gasoline content of any casinghead gas shall be determined by such method and in such manner as he may direct.

The Supervisory Engineer, or any officer acting for him, may direct that a test be made of the gasoline content of any natural gas, and if a natural gasoline should be present in paying quantity, the Superintendent General may direct that such natural gasoline shall be separated, conserved and utilized as provided in the regulations.

40. Any decision of the Supervisory Engineer, or other officer of the Department, made under any of the provisions of these regulations, shall be subject to an appeal to the Superintendent General.