

Instructions
Form P-6: Request for Permission to Subdivide or Consolidate Oil Lease(s)

Reference: Statewide Rule 26, *Separating Devices, Tanks, and Surface Commingling of Oil*; Statewide Rule 27, *Gas to Be Measured and Surface Commingling of Gas*; Statewide Rule 38, *Well Densities*; and Statewide Rule 39, *Proration and Drilling Units – Contiguity of Acreage and Exception Thereto*.

- A. When to Use the P-6.** A P-6 must be used when subdividing an oil lease into two or more oil leases or consolidating two or more oil leases into one or more oil leases.
- B. Where and What to File.** File the P-6 and plats (original and four copies) with the Railroad Commission in Austin. The P-6 and plats are filed along with the original Form P-4(s), *Certificate of Compliance and Transportation Authority* (rev. 05/02).
- C. Listing Leases/Wells and Filing Form P-4.** SINGLE OPERATOR subdivisions or consolidations. If an operator is subdividing a lease into other leases for which it also is the operator, or if an operator is consolidating leases into a lease or leases for which it is also the operator, the Form P-6 must be completed in entirety and filed by the operator. If more space is required in Item 9 or 10, attach a listing in the same format. A Form P-4 must also be filed for the lease or leases that result from the subdivision or consolidation.

OPERATOR CHANGE subdivisions or consolidations. If an operator is subdividing a well or wells on a lease to a different operator, or if two different operators operate leases that are being consolidated, a Form P-4 and sufficient financial assurance under Rule 78 must be filed for each lease involving transfer of operator. Both the previous operator and the receiving operator must sign the P-4, the purpose of filing must be indicated (subdivision or consolidation), and the wells that are to be included in the leases that result from the subdivision or consolidation listed on a Form P-6. The Form P-6 must be completed in its entirety and filed by the operator of the resulting leases. If more space is required in Item 9 or 10, attach a listing in the same format.

- D. Statement of Ownership.** Indicate if the ownership, working interest, and the royalty interest for the leases listed in Items 9 or 10 that are being subdivided or consolidated are identical as to both the identity of the interest owners and as to the percentage of interest, by checking “yes” or “no” in Item 11. If the ownership is not identical, Commission legal staff will review the application and you will be required to show how the correlative rights of all interest owners will be protected.
- E. Plats.** Two plats are to be filed with the P-6 — one showing the boundaries of the lease(s) before and one showing the boundaries of the lease(s) after the subdivision or consolidation. Indicate lease and proration unit boundaries by heavy or dotted lines; do not shade entire leases or proration units. Identify and label by well number every well within the unit(s); on “before plat”, use well numbers identical to those shown on the Commission Oil Proration Schedule. If there are field rules with acreage in the allocation formula, identify and label the proration acreage for each well.

Plats are to be drawn to scale; 1”=1000’ or 1”=2000’ is preferred but 1”=1200’ is acceptable. Each plat is to have the following information printed on it: operator name, field name, direction of north, scale used, certification by survey company or operator that the plat is true and correct, a legend, legal location (survey, section, block name, county and abstract), whether the plat represents the “before” or the “after”, and total acreage in lease(s).

- F. Acreage.** In Item 12, indicate if the lease acreage listed in Item 10 is contiguous for each lease by checking “yes” or “no”. If the acreage from the resulting leases is not contiguous, further commission staff review will be required and a Rule 39 exception may be necessary. Acreage totals in Item 9 must equal acreage totals in Item 10.