

# **Advanced P-16 Practices: An Interactive Workshop**

Four advanced examples of using the  
P-16 will be discussed:

- 1) “Cascading” Allocation/PSA acreage assignments.
- 2) “Cascading” acreage using a “page wrap” method.
- 3) “Cascading” acreage using a “grouped per page” method.
- 4) Non-Contiguous Lease acreage (helps with SWR 39).

The P-16s in the following examples are based on actual W-1s submitted and the developments proposed on them; however, the Lease IDs, API Numbers, Lease Names, Tract Names, Tract ID’s, and Permit Numbers have been changed to arbitrary values for example purposes.

## **1) “Cascading” Allocation/PSA acreage assignments.**

In this example, we will look at how the P-16 is used to account for an Allocation or PSA well in which some of the wells within the developmental acreage are taking a portion of their acreage assignments from developmental tracts that are not part of the acreage described on the W-1. This is what is called, “Cascading” acreage.

- It is required to account for the tracts that the cascading wells are using for their full acreage assignment.
- This will be done by utilizing the pre-populated column headers in Section VI, and manually adding new column headers to account for the cascading developmental tract assignments.
- What we discuss with this example will create the foundation for the following three examples.

The next page shows the P-16 that will be discussed.

In Section V, only the developmental tracts that are part of the acreage development being proposed on the W-1 should be listed.

- The cascading tracts will NOT be listed in Section V.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY					
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A 12345	Developmental Tract 1	500.000			
B 54321	Developmental Tract 2	500.000			
C					
D					
E					
F					
G					
H					
Total Acreage =		1000.000			

- Line A is highlighted in Yellow, and Line B in Blue.
- Each row in Section V, identified by the Letter at the start of each row, will automatically populate in the column headers of Section VI.
- In the image below, each column has been highlighted with the same color as Section V, for each developmental tract.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A 12345	Acres From B 54321	Acres From Cascade 1	Acres From Cascade 2	Acres From	Acres From	Acres From
12345	Developmental Tract 1		1	Horiz.		80.000	80.000						
12345	Developmental Tract 1		2	Horiz.		80.000	80.000						
12345	Developmental Tract 1		3	Horiz.		80.000	80.000						
12345	Developmental Tract 1		4	Horiz.		80.000	80.000						
54321	Developmental Tract 2		1	Horiz.		80.000		80.000					
54321	Developmental Tract 2		2	Horiz.		80.000		80.000					
54321	Developmental Tract 2		3	Horiz.		80.000		80.000					
56789	Apple		5H	Alloc.		80.000	20.000	20.000		40.000			
98765	Apple		6H	Alloc.		80.000	20.000	20.000		40.000			
34567	Banana		123HR	PSA		80.000	20.000	30.000	30.000				
76543	Banana		987HT	PSA		60.000	30.000	20.000	10.000				
Pending	EXAMPLE ALLOCATION WELL 1		A123BC	Alloc.		80.000	40.000	40.000					
Pending	EXAMPLE ALLOCATION WELL 2		D456EF	Alloc.-SL		0.000	0.000	0.000					

- The two rows highlighted in Red are the two proposed wells that are under review.

Notice the two columns that are not color coded:

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FIELD														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A 12345	Acres From B 54321	Acres From Cascde 1	Acres From Cascde 2	Acres From	Acres From	Acres From	Acres From

- These are the “cascade” tracts (leases, pooled units, undeveloped tracts, or a combination).
- These two columns do NOT have a letter in the headers.
- When the developmental tracts listed in Section V are automatically populated in Section VI, the column headers will show the letter from the Row in Section V and the values from the RRC ID No., Lease No., or Tract ID.
- DO NOT delete or manipulate this letter. It is there as a guide for you to know which column in Section VI references the same row from Section V.
- The columns without letters in the headers have had a lease name identifier manually added.
  - It is best to use a lease id if this is a base lease.
  - If this is a developmental tract used in other Allocation/PSA developments and does not have any base lease wells completed, then use a short name for it.

Once you have manually added any cascading tract headers, you are ready to enter the acreage assignments for each column.

- The grey total column should show a cumulative assignment equaling at least the minimum required acreage per the field rules for the regulatory field that is being proposed.
- The total column will auto calculate, provided you have entered the well number for each well.

In the image below you will see:

- Four base lease wells for the Yellow tract (all 80 acres).
- Three base lease wells for the Blue tract (all 80 acres).
- Four cascade wells, all four with 80 acre totals.
  - Two are using Cascade Tract 1 (“Cascd 1)
  - Two are using Cascade Tract 2 (“Cascd 2)
  - Cascade was truncated to “Cascd” due to header space.
- The two wells for which W-1s have been submitted.
  - These are the Red rows, each have 80 acres total.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A	Acres From B	Acres From	Acres From	Acres From	Acres From	Acres From
12345	Developmental Tract 1		1	Horiz.		80.000	12345	54321	Cascd 1	Cascd 2			
12345	Developmental Tract 1		2	Horiz.		80.000	80.000						
12345	Developmental Tract 1		3	Horiz.		80.000	80.000						
12345	Developmental Tract 1		4	Horiz.		80.000	80.000						
54321	Developmental Tract 2		1	Horiz.		80.000		80.000					
54321	Developmental Tract 2		2	Horiz.		80.000		80.000					
54321	Developmental Tract 2		3	Horiz.		80.000		80.000					
56789	Apple		5H	Alloc.		80.000	20.000	20.000		40.000			
98765	Apple		6H	Alloc.		80.000	20.000	20.000		40.000			
34567	Banana		123HR	PSA		80.000	20.000	30.000	30.000				
76543	Banana		987HT	PSA		60.000	30.000	20.000	10.000				
Pending	EXAMPLE ALLOCATION WELL 1		A123BC	Alloc.		80.000	40.000	40.000					
Pending	EXAMPLE ALLOCATION WELL 2		D456EF	Alloc.-SL		0.000	0.000	0.000					



# RAILROAD COMMISSION OF TEXAS

**1701 N. Congress  
P.O. Box 12967  
Austin, Texas 78701-2967**

Form P-16

Page 2

Rev. 06/2022

## Acreage Designation

Filer is the owner or lessee of all or an undivided portion of the minerals under each tract listed below and has the legal right to drill on each tract traversed by the well that will have perforations or other take points open in the interval of the applied-for field(s). All tracts listed will actually be traversed by the wellbore or the filer has pooling authority or other contractual authority, such as a production sharing agreement, authorizing inclusion of the non-drill site tract in the acreage assigned to the well.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY

RRC ID No., Lease No. or Tract ID		Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A	12345	Developmental Tract 1	500.000			
B	54321	Developmental Tract 2	500.000			
C						
D						
E						
F						
G						
H						
Total Acreage =			1000.000			

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER

[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)

## **2) “Cascading” acreage using a “page wrap” method.**

In this example, we will look at how the P-16 is used to account for an Allocation or PSA well in which the cascading acreage is shown using a “page wrap” method.

- There are only 8 columns in Section VI, because there are only 8 rows in Section V.
- The cascading tracts have been shown in Section VI starting after the last developmental tract from Section V and then are continued on Page 2A.
- The additional cascade tracts “wrap” over to Page 2A, like how a “word wrap” might occur for a text document.

The principles on how to fill out Section V, Section VI, and the column headers in Section VI were established in the first example we discussed and will not be discussed for this one.

- We will only discuss the “page wrap” appearance of the cascade tracts.

The next page shows the P-16 that will be discussed.

In Section V, you will see ONLY the developmental tracts that comprise the Allocation development described on the W-1.

There are five tracts:

- A) Tract 1 is Orange.
- B) Tract 2 is Yellow.
- C) Tract 3 is Green.
- D) Tract 4 is Blue.
- E) Tract 5 is Fuchsia.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY						
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)	
A	Tract 1	UL LEASE #111111	160.000			
B	Tract 2	UL LEASE #110011	320.000			
C	Tract 3	UL LEASE #33444 - S	80.000			
D	Tract 4	UL LEASE #33444 - n	80.000			
E	Tract 5	UL LEASE #110777	160.000			
F						
G						
H						
Total Acreage =		800.000				

In Section VI you will see the columns representing each developmental tract highlighted with the same color that each has in Section V.

- The Red line is the proposed well for this W-1.
- The Purple lines are the cascading wells.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A Tract 1	Acres From B Tract 2	Acres From C Tract 3	Acres From D Tract 4	Acres From E Tract 5	Acres From 105999-S	Acres From 105999-N	Acres From 110999
11110	UL RANGERS 12-37 C	003-12345	1WB	Alloc.	N	68.320	5.000		5.000	5.000		26.660	26.660	
11111	UL RANGERS 12-37 D	003-23456	2LS	Alloc.	N	82.120	5.000		5.000	5.000	13.800	26.660	26.660	
11112	UL RANGERS 12-37 B	003-34567	1JM	Alloc.	N	82.160	5.000		5.000	5.000	13.800	26.680	26.680	
11113	UL RANGERS 12-37 E	003-45678	2MS	Alloc.	Y	80.000	24.160	14.340	10.000	10.000	21.500			
11114	UL RANGERS 12-37 F	003-56789	2WB	Alloc.	Y	80.460	24.160	12.840	11.000	11.000	21.460			
11115	UL RANGERS 12-37 G	003-67891	3LS	Alloc.	Y	81.610	24.160	14.340	11.000	11.000	21.110			
11116	UL RANGERS 12-37 H	003-78912	3JM	Alloc.	Y	82.610	24.160	14.340	11.000	11.000	22.110			
11117	UL RANGERS 12-37 I	003-89123	3WB	Alloc.	Y	83.610	24.160	14.340	11.000	11.000	23.110			
11118	UL RANGERS 12-37 J	003-91234	4LS	Alloc.	Y	84.610	24.200	14.300	11.000	11.000	24.110			
11119	UL RANGERS 12-1 N	003-98765	5LS	Alloc.	N	34.300		34.300						
11120	UL RANGERS 12-1 K	003-87654	4MS	Alloc.	N	34.300		34.300						
11121	UL RANGERS 12-1 L	003-76543	4WB	Alloc.	N	34.300		34.300						
11122	UL RANGERS 12-1 P	003-65432	6LS	Alloc.	N	34.300		34.300						
11123	UL RANGERS 12-1 M	003-54321	5JM	Alloc.	N	34.300		34.300						
11124	UL RANGERS 12-1 S	003-43219	7LS	Alloc.	Y	32.000		32.000						
11125	UL RANGERS 12-1 R	003-32198	6WB	Alloc.	Y	32.000		32.000						
999999	UL ASTROS 5-36	003-21987	1H	Alloc.	N	328.850					5.000			323.850

Because the 7 cascading wells use more tracts than can be shown with the remaining space in Section VI, an additional page has been used.

- Instead of using Page 2A, an additional copy of Page 2 was used.
  - It is important to note that Section V has been cleared on this additional Page 2. This is because the cascade tracts are NOT part of the acreage development described on the W-1 and should be empty.
- This removes the letters from the column headers in Section VI, and the short lease identifiers have been added.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY						
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)	
A						
B						
C						
D						
E						
F						
G						
H						
Total Acreage =						

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From
							UL 1994	UL 1998					
11119	UL RANGERS 12-1 N	003-98765	5LS	Alloc.	N		22.850	22.850					
11120	UL RANGERS 12-1 K	003-87654	4MS	Alloc.	N		22.850	22.850					
11121	UL RANGERS 12-1 L	003-76543	4WB	Alloc.	N		22.850	22.850					
11122	UL RANGERS 12-1 P	003-65432	6LS	Alloc.	N		22.850	22.850					
11123	UL RANGERS 12-1 M	003-54321	5JM	Alloc.	N		22.850	22.850					
11124	UL RANGERS 12-1 S	003-43219	7LS	Alloc.	Y		22.850	22.850					
11125	UL RANGERS 12-1 R	003-32198	6WB	Alloc.	Y		22.900	22.900					

- When multiple pages are used, either multiple copies of Page 2, Page 2A, multiple copies of Page 2A, or a combination of each, the form will NOT auto calculate across the additional pages.
- When RRC staff reviews P-16s such as these, we will add up the acreage assignment totals for each well from page to page.
- Provided each well has a cumulative assignment that is equal to or greater than the minimum required by the field rules, a Rule 38 exception will not be needed.

#### First Page 2:

11119	UL RANGERS 12-1 N	003-98765	5LS	Alloc.	N	34.300	34.300							
11120	UL RANGERS 12-1 K	003-87654	4MS	Alloc.	N	34.300	34.300							
11121	UL RANGERS 12-1 L	003-76543	4WB	Alloc.	N	34.300	34.300							
11122	UL RANGERS 12-1 P	003-65432	6LS	Alloc.	N	34.300	34.300							
11123	UL RANGERS 12-1 M	003-54321	5IM	Alloc.	N	34.300	34.300							
11124	UL RANGERS 12-1 S	003-43219	7LS	Alloc.	Y	32.000	32.000							
11125	UL RANGERS 12-1 R	003-32198	6WB	Alloc.	Y	32.000	32.000							

#### Second Page 2:

11119	UL RANGERS 12-1 N	003-98765	5LS	Alloc.	N		22.850	22.850						
11120	UL RANGERS 12-1 K	003-87654	4MS	Alloc.	N		22.850	22.850						
11121	UL RANGERS 12-1 L	003-76543	4WB	Alloc.	N		22.850	22.850						
11122	UL RANGERS 12-1 P	003-65432	6LS	Alloc.	N		22.850	22.850						
11123	UL RANGERS 12-1 M	003-54321	5IM	Alloc.	N		22.850	22.850						
11124	UL RANGERS 12-1 S	003-43219	7LS	Alloc.	Y		22.850	22.850						
11125	UL RANGERS 12-1 R	003-32198	6WB	Alloc.	Y		22.900	22.900						

- The totals from within each red box added together are greater than 80. This means a Rule 38 would not be needed for a well.
- However, some of these wells have Rule 38 because even though they can receive 80 acres, base lease wells from the yellow tract have to be pushed substandard in order to do so.

## Form P-16

Page 2

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## Acreage Designation

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY

RRC ID No., Lease No. or Tract ID		Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A	Tract 1	UL LEASE #111111	160.000			
B	Tract 2	UL LEASE #110011	320.000			
C	Tract 3	UL LEASE #33444 - S	80.000			
D	Tract 4	UL LEASE #33444 - n	80.000			
E	Tract 5	UL LEASE #110777	160.000			
F						
G						
H						
Total Acreage =			800.000			

**SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER**

[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)



# RAILROAD COMMISSION OF TEXAS

**1701 N. Congress  
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Austin, Texas 78701-2967**

Form P-16

Page 2

Rev. 06/2022

## Acreage Designation

Filer is the owner or lessee of all or an undivided portion of the minerals under each tract listed below and has the legal right to drill on each tract traversed by the well that will have perforations or other take points open in the interval of the applied-for field(s). All tracts listed will actually be traversed by the wellbore or the filer has pooling authority or other contractual authority, such as a production sharing agreement, authorizing inclusion of the non-drill site tract in the acreage assigned to the well.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY

RRC ID No., Lease No. or Tract ID		Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A						
B						
C						
D						
E						
F						
G						
H						
Total Acreage =						

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

**SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER**

[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)

### **3) “Cascading” acreage: “grouped per page” method.**

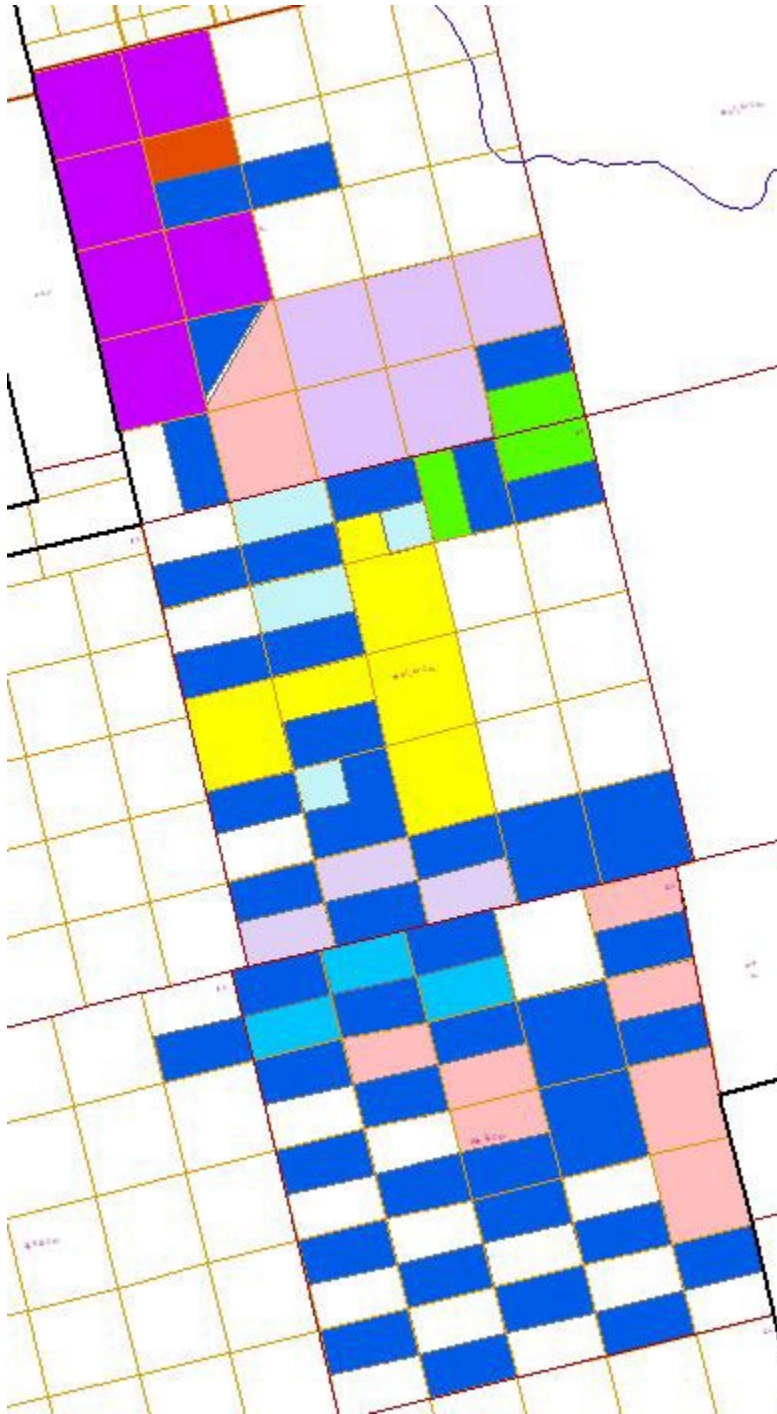
In this example, we will look at how the P-16 is used to account for an Allocation or PSA well in which the cascading acreage is shown using a “grouped per page” method.

- Some cascading situations are so complex that there are many developmental setups that need to be reported due to the use of one or more shared tracts between many wells.
- It is possible to group each developmental setup per page.
- For this example, only one Page 2 is used.
- There are several copies of Page 2A that are being used to show the cascade groups of wells.
- The column headers from Section V will carry over to Page 2A; therefore, each copy of Page 2A will show the two developmental tracts already prepopulated.
- Each copy of Page 2A then has the cascade tracts manually entered in the column headers.

The next page shows a plat that we will use for this concept.

The subsequent page after that will show the full P-16.

## TEX RANCH LEASE AREA



The above image shows multiple leases that an Allocation and/or PSA well could be permitted through. This can create a complicated and multi-faceted cascading effect.

There are only two developmental tracts for this particular allocation development, and they are shown in Section V.

A) Tex Ranch is Yellow

B) Tex Ranch A is Blue

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY					
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A	Tex Ranch	3040.000			
B	Tex Ranch A	3680.400			
C					
D					
E					
F					
G					
H					
Total Acreage =		6720.400			

- Eight allocation wells are being proposed and submitted at the same time.
- Two of them only use the developmental tracts from Section V.
- The remaining six use one additional cascade tract that is not used by any other cascade group.
- Therefore, all 8 wells, and the single cascade tract are shown in Section VI.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A Tex Ranch	Acres From B Tex Ranch A	Acres From Tex 2023	Acres From	Acres From	Acres From	Acres From	Acres From
Pending	Tex Champ 249J	Pending	101 HD	Alloc.	N	80.000	40.000	40.000						
Pending	Tex Champ 249J	Pending	102 HD	Alloc-SL	N	0.000	0.000	0.000						
Pending	Tex Champ 249L	Pending	103HR	Alloc.	N	80.000	20.000	40.000	20.000					
Pending	Tex Champ 249LL	Pending	104HC	Alloc.	N	80.000	20.000	40.000	20.000					
Pending	Tex Champ 249LL	Pending	105HG	Alloc-SL	N	0.000	0.000	0.000	0.000					
Pending	Tex Champ 249LL	Pending	106HE	Alloc-SL	N	0.000	0.000	0.000	0.000					
Pending	Tex Champ 249M	Pending	107HD	Alloc.	N	80.000	20.000	40.000	20.000					
Pending	Tex Champ 249M	Pending	108HL	Alloc-SL	N	0.000	0.000	0.000	0.000					

Instead of using 5 additional copies of Page 2 and having a very large number of cascade tract added across those pages, copies of Page 2A are being used so that the two developmental tracts shown in Section V are already populated in the headers for Section VI.

- This allows for all the developmental setups that share either one of, or both developmental tracts from Section V, to be shown on individual pages.
- This eliminates a situation in which multiple wells are listed on multiple pages, which can result in double (or triple) counting of that well.

SECTION VI (CONTINUED). LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. [Y/N]	*Total Acres Assigned	Acres From A Tex	Acres From B Tex	Acres From Tex 3	Acres From Tex 2	Acres From UT 7	Acres From	Acres From	Acres From
12345	TDL 913B	123-11111	1HE	Alloc.	N	53.60	23.600		10.000	8.000	12.000			
12345	TDL 913B	123-11112	2HC	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000			
51234	TDL 942F	123-11113	1701HC	Alloc.	N	120.00	90.000		10.000	8.000	12.000			
51234	TDL 942F	123-11114	1702HG	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000			
51234	TDL 942F	123-11115	1703HE	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000			
52345	TDL 942G	123-11116	1704HD	Alloc.	N	126.40	96.400		10.000	8.000	12.000			
53456	TDL 942X	123-11117	1705HG	Alloc.	N	220.00	90.000		10.000	8.000	112.000			
53456	TDL 942X	123-11118	1706HC	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000			
53456	TDL 942X	123-11119	1707HD	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000			

The wells in the above image all have the same developmental setup, and thus the same tracts.

- They are not listed in any other developmental setup group, or on any other page.
- The three additional cascade tracts are not used with any other developmental setup group, or on any other page.
- The only common tracts shown are A and B.
- These wells are only using Tract A, which is from Section V.

Here are two additional developmental setup groups, each using their own copy of Page 2A.

SECTION VI (CONTINUED). LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. [Y/N]	*Total Acres Assigned	Acres From A lex	Acres From B lex	Acres From TDL 800	Acres From UT 1	Acres From HOU320	Acres From DAL 1	Acres From
12345	ASTROS 813U	123-22222	11HD	Alloc.	N	131.00	10.000		36.000		33.000	32.000	
12345	ASTROS 813U	123-22223	12HF	Alloc.-SL	N	0.00	0.000		0.000		0.000	0.000	
12345	ASTROS 813U	123-22224	13HC	Alloc.-SL	N	0.00	0.000		0.000		0.000	0.000	
12345	ASTROS 813U	123-22225	14HE	Alloc.-SL	N	0.00	0.000		0.000		0.000	0.000	
23456	astros 813t	123-22226	7HD	Alloc.	N	243.99	40.000		147.740	19.250	5.000	32.000	
23456	astros 813t	123-22227	8HE	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
23456	astros 813t	123-22228	9HF	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
23456	astros 813t	123-22229	10HE	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
34567	ASTROS 813S	123-22230	3HF	Alloc.	N	243.98	40.000		147.740	19.240	5.000	32.000	
34567	ASTROS 813S	123-22231	4HE	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
34567	ASTROS 813S	123-22232	5HF	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
34567	ASTROS 813S	123-22233	6HC	Alloc.-SL	N	0.00	0.000		0.000	0.000	0.000	0.000	
45678	astros 813r	123-22234	2HD	Alloc.	N	212.83	68.000		100.000	12.830		32.000	

- In the above developmental group, there are three stacked lateral sets, and one standalone well. All the wells are using Tract A from Section V, and then there are four cascade tracts among them.
- One stacked set uses three of the cascade tracts, along with the standalone well, and the other two stacked sets use four cascade tracts.

SECTION VI (CONTINUED). LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. [Y/N]	*Total Acres Assigned	Acres From A lex	Acres From B lex	Acres From DK198	Acres From KD891	Acres From DAK023	Acres From KAD320	Acres From AUS North
98765	Nolan Ryan 842A	123-33333	1501H	Alloc.	N	175.45		77.780	8.870	44.400	44.400		
87654	Nolan Ryan 842B	123-33334	1501M	Alloc.	N	131.52		68.000			53.520	10.000	
76543	Nolan Ryan 842C	123-33335	1502H	Alloc.	N	160.52		67.000			53.520	40.000	
65432	UT 942F	123-44444	1HE	Alloc.	N	188.71		80.000					108.710
65432	UT 942F	123-44445	2HC	Alloc.-SL	N	0.00		0.000					0.000
65432	UT 942F	123-44446	3HF	Alloc.-SL	N	0.00		0.000					0.000
65432	UT 942F	123-44447	4HD	Alloc.-SL	N	0.00		0.000					0.000
54321	UT 942G	123-44448	5HE	Alloc.	N	183.71		75.000					108.710
54321	UT 942G	123-44449	6HC	Alloc.-SL	N	0.00		0.000					0.000

- A similar scenario exists in the next image, directly above, except these wells are using Tract B from Section V.
- No cascade tracts shown in either of the above two groups are used in any other group or shown on any other page.

The last two pages of groups only account for the base lease wells that exist within each of the developmental tracts listed in Section V.

SECTION VI (CONTINUED). LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A lex	Acres From B lex	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From
11111	Tex Ranch	123-32145	1	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32146	2	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32147	3	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32148	4	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32149	5	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32140	6	Horiz.	N	80.00	80.000							
11111	Tex Ranch	123-32141	7	SL	N	0.00	0.000							
11111	Tex Ranch	123-32142	8	SL	N	0.00	0.000							
11111	Tex Ranch	123-32143	9	SL	N	0.00	0.000							

- Above are the base lease wells from Tract A only.

SECTION VI (CONTINUED). LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A lex	Acres From B lex	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From
55555	Tex Ranch A	123-45678	11	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45677	22	SL	N	0.00	0.000							
55555	Tex Ranch A	123-45676	33	SL	N	0.00	0.000							
55555	Tex Ranch A	123-45675	44	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45674	55	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45673	66	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45672	77	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45671	88	Horiz.	N	80.00	80.000							
55555	Tex Ranch A	123-45670	99	Horiz.	N	80.00	80.000							

- Above are the base lease wells from Tract B only.

Showing developmental groups on separate pages has benefits:

- It makes identifying well count more efficient; there are no wells listed more than once.
- It gives you a good picture of the acreage assignments without having to cross over pages.
- It allows the full acreage assignment for a well to be seen on one page without having to add the totals from other pages.



# RAILROAD COMMISSION OF TEXAS

**1701 N. Congress  
P.O. Box 12967  
Austin, Texas 78701-2967**

Form P-16

Page 2

Rev. 06/2022

## Acreage Designation

Filer is the owner or lessee of all or an undivided portion of the minerals under each tract listed below and has the legal right to drill on each tract traversed by the well that will have perforations or other take points open in the interval of the applied-for field(s). All tracts listed will actually be traversed by the wellbore or the filer has pooling authority or other contractual authority, such as a production sharing agreement, authorizing inclusion of the non-drill site tract in the acreage assigned to the well.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY

RRC ID No., Lease No. or Tract ID		Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A	Tex Ranch	Tex Ranch	3040.000			
B	Tex Ranch A	Tex Ranch A	3680.400			
C						
D						
E						
F						
G						
H						
Total Acreage =			6720.400			

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

**SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER**

[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)



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**1701 N. Congress  
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**Form P-16**

**Attachment**

Page 2A

Rev. 06/2022

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[illegible]

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Page 2A

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[illegible]

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Filer is the owner or lessee of all or an undivided portion of the minerals under each tract listed below and has the legal right to drill on each tract traversed by the well that will have perforations or other take points open in the interval of the applied-for field(s). All tracts listed will actually be traversed by the wellbore or the filer has pooling authority or other contractual authority, such as a production sharing agreement, authorizing inclusion of the non-drill site tract in the acreage assigned to the well.

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)



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Form P-16

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Page 2A

Rev. 06/2022

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[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)



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Page 2A

Rev. 06/2022

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[illegible]

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)

#### **4) Non-Contiguous Lease acreage (helps with SWR 39).**

In this example, we will look at how the P-16 can be used to account for how much acreage as well is assigned from one or more non-contiguous sections of a non-contiguous lease, which can help identify SWR 39 situations.

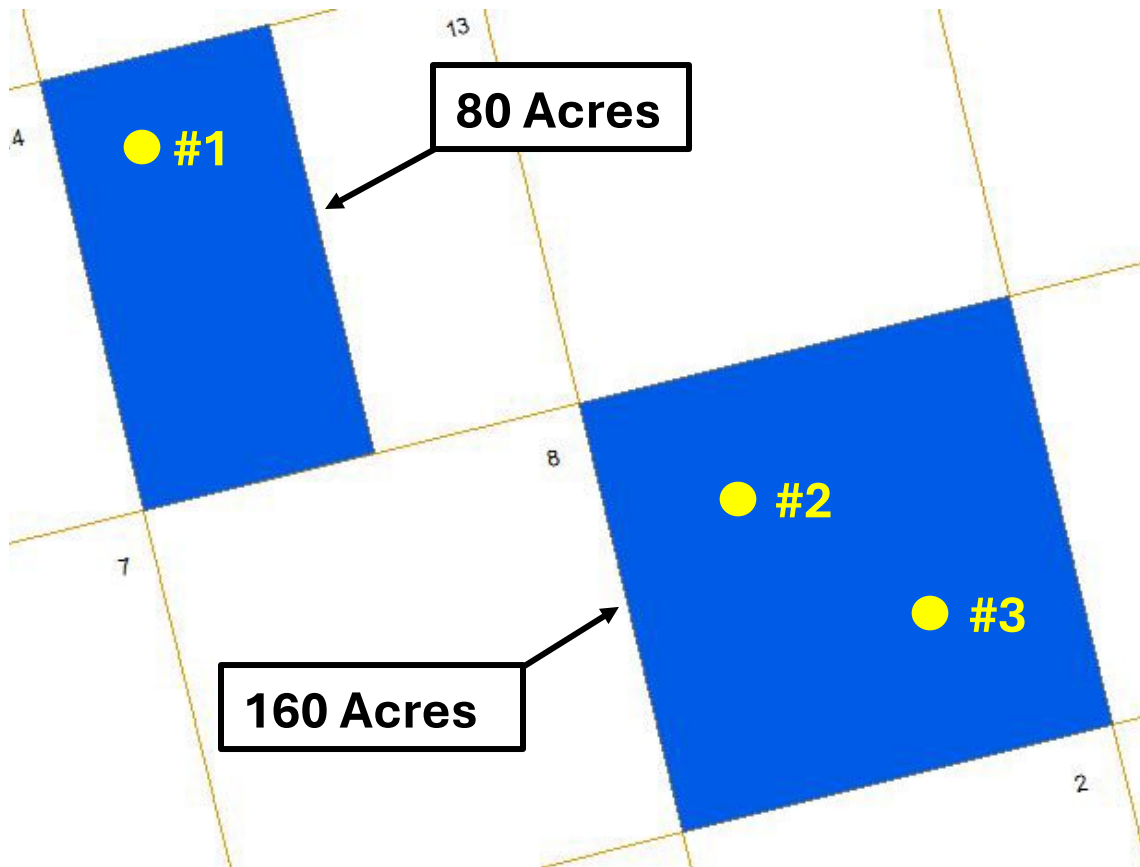
- A well that exists within a non-contiguous lease can only take acreage from the non-contiguous section of the non-contiguous lease that the well exists within.
- It is important to account for ONLY the acreage that is coming from the non-contiguous section, not the total overall lease acreage.
- Using the P-16 to break down the various non-contiguous assignments can help with a standard non-contiguous lease, and especially if multiple allocation or psa wells are using various sections of the non-contiguous lease.

The next pages show:

- 1) A quick explanation of SWR 39.
- 2) GIS screenshot of a complicated allocation development that includes a non-contiguous lease.
- 3) A P-16 concept using Page 2 only.
- 4) A proposed non-contiguous lease acreage plat.

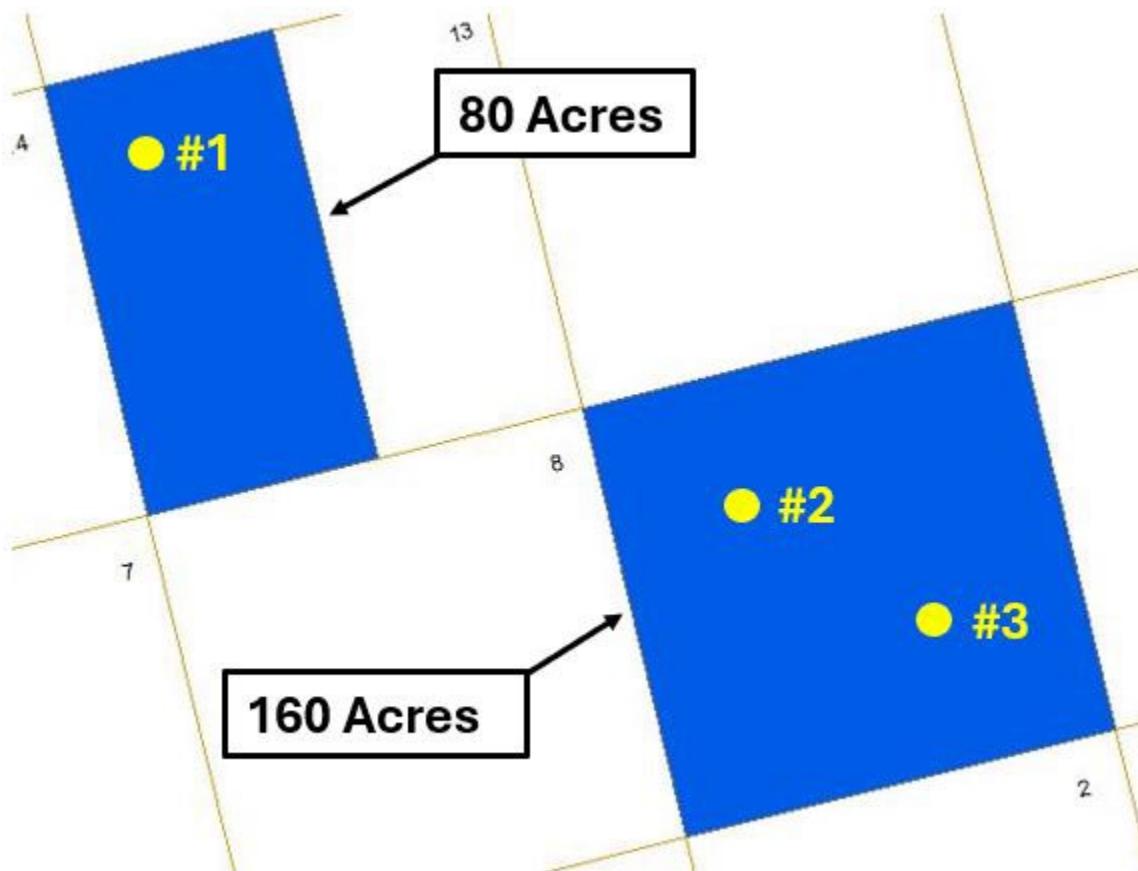
We will use all four for this part of the discussion.

## A brief (and basic) overview of SWR 39



If the field rules require 80 acres per well:

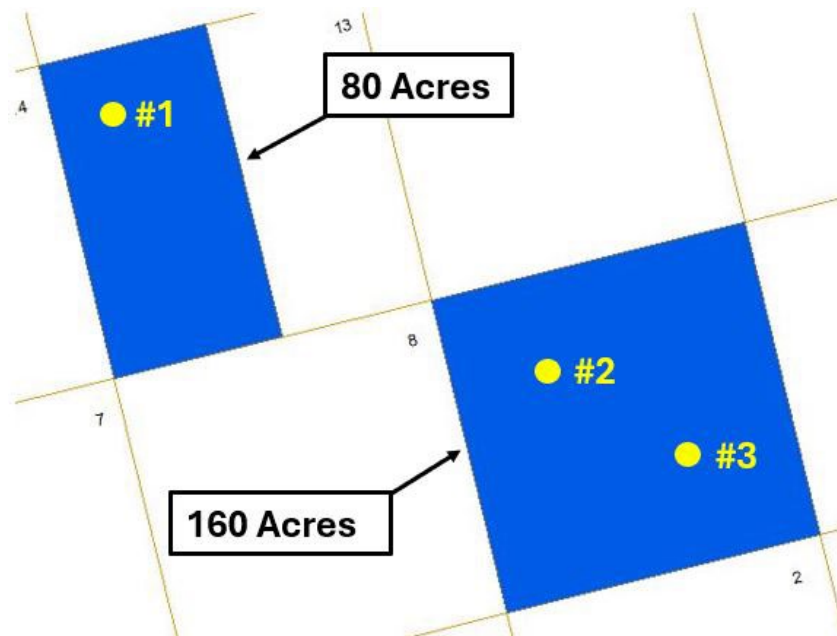
- If well #1 is permitted, and then another well is permitted in the same non-contiguous section, Rule 39 is triggered.
- If well #2 and #3 are permitted and another well is permitted in the same non-contiguous section, Rule 39 is triggered.
- If all three wells are permitted as shown in the image, a fourth well may be permitted in either of the non-contiguous sections and only Rule 38 will be triggered.



Acreage in a non-contiguous section must be used before permitting another well in a non-contiguous section that is already fully used.

- If well #3 is the only well that has been permitted, then well #2 could be permitted in either tract.
- If well #2 is permitted in the same tract as well #3, then well #1 can only be permitted in the other tract.
- Two wells in an 80-acre field will max out a 160-acre tract.
- However, there is still a tract that has not been used and a Rule 39 exception would be triggered if a third well was attempted in the 160-acre tract.

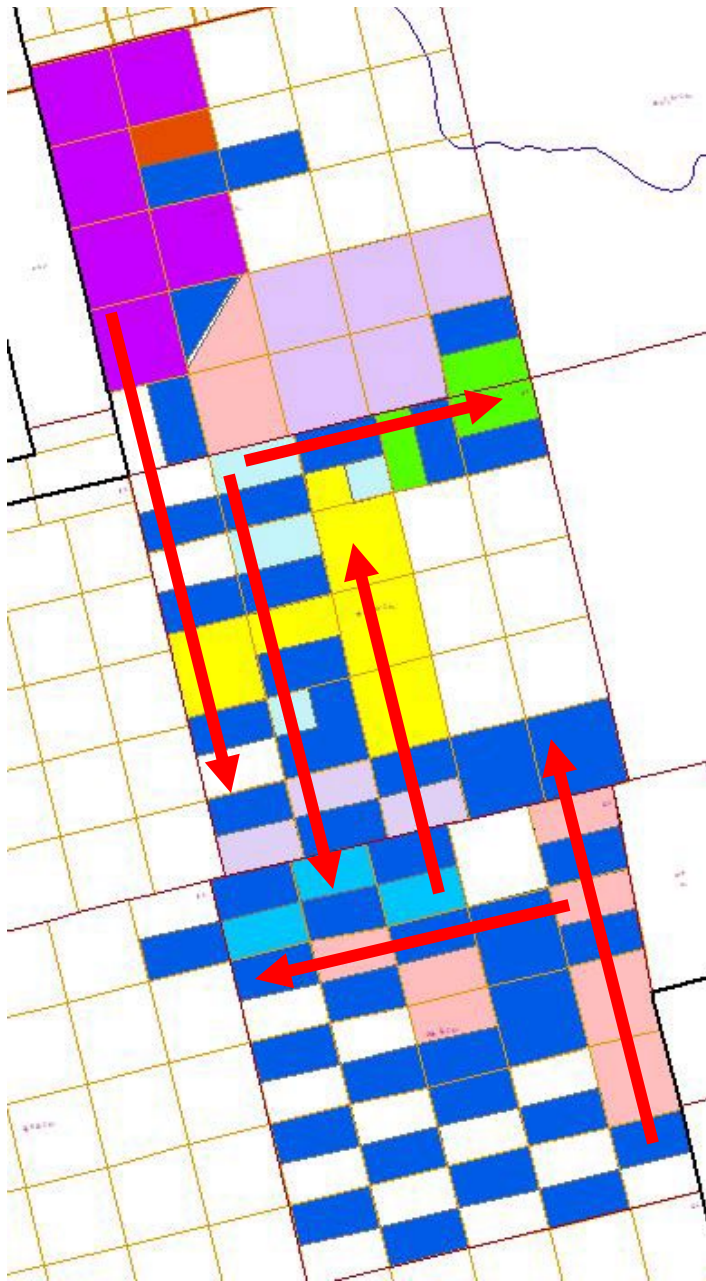
In the example that we will see on the next pages, an allocation/psa well has a potential to run through multiple non-contiguous tracts of a non-contiguous lease.



If an allocation/psa well was going through the 160-acre tract in the image above, then we know that whatever the acreage assignment is on the P-16, it came from that tract.

However, if an allocation/psa well is going through multiple non-contiguous tracts, then we don't know how many acres come from each tract of the non-contiguous section, we just know that the stated amount comes from the overall lease.

- This blind spot is problematic with respect to SWR 39.
- The P-16 can be used as a tool to show how many acres are being assigned from multiple non-contiguous tracts if an allocation/psa well is going through multiple ones.



There are four non-contiguous tracts in the image to the left. An allocation and/or psa well could run through more than one of the non-contiguous sections at the same time, for each.

- 1) The Dark Blue lease: There are several areas in the northern portion of this map where a North to South oriented wellbore could pass through more than one non-contiguous section.
- 2) The Neon Green lease: A West to East oriented wellbore could pass through both non-contiguous sections at the same time.
- 3) The Pale Blue lease: A North to South oriented wellbore could pass through more than one non-contiguous section.
- 4) The Salmon lease (in the south): Both a North to South and/or West to East oriented wellbore could pass through more than one non-contiguous section simultaneously.

- The Red arrows in the image above represent the various wellbore paths that would run through multiple non-contiguous tracts of the four non-contiguous leases that exist in this image.
- Some of the example wellbores pass through multiple non-contiguous leases, and multiple non-contiguous tracts within those leases, at the same time.
- Accounting for how many acres that are assigned to the example wells, from the multiple non-contiguous tracts, can be very difficult; yet, if used creatively, the P-16 can be a good tool to account for this information.

**Non-Contiguous tract acreage:**

HRT-1 : 80 acres

HRT-2 : 80 acres

HRT-3 : 80 acres

HRT-4 : 80 acres

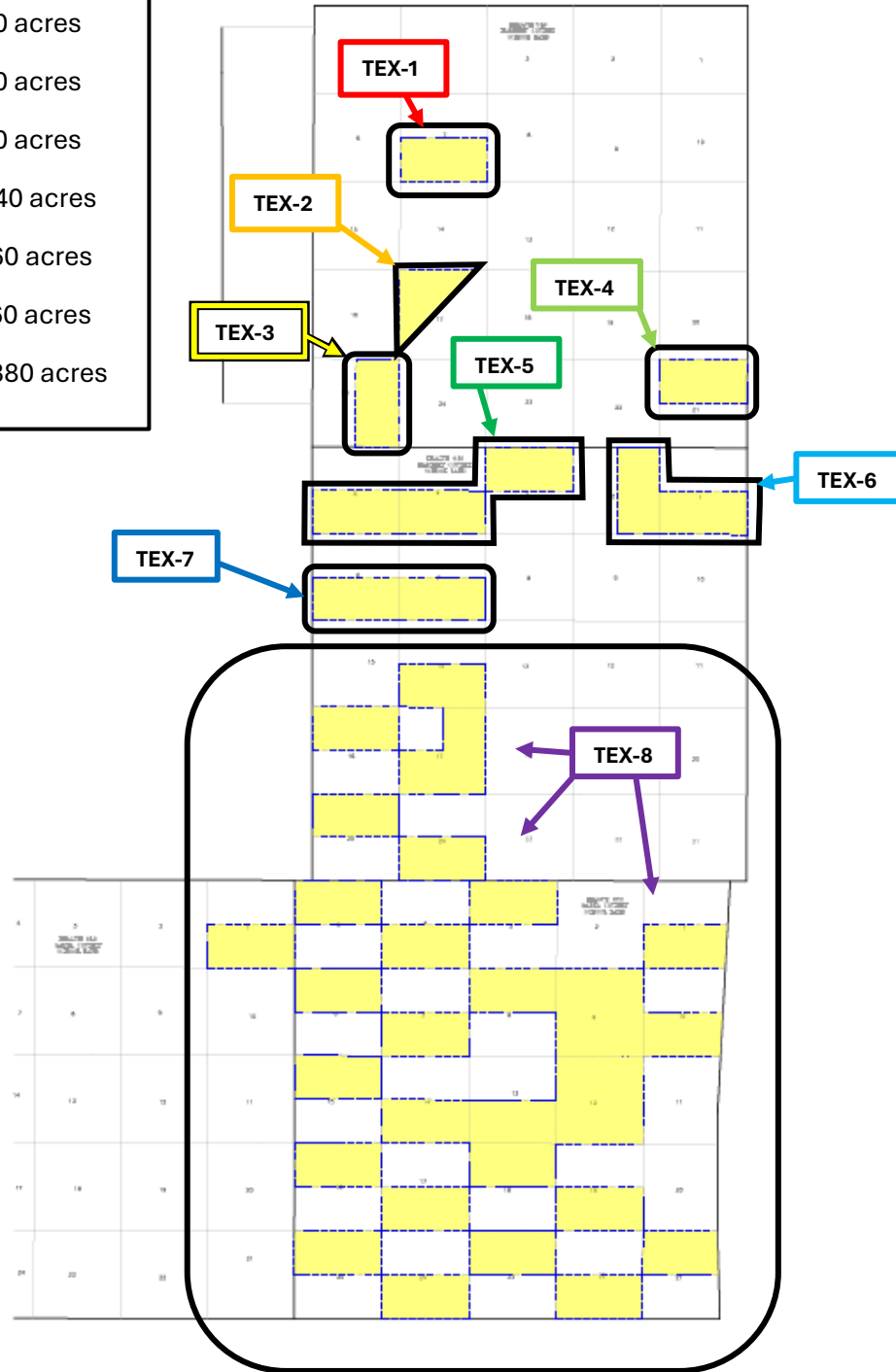
HRT-5 : 240 acres

TEX-6 : 160 acres

TEX-7 : 160 acres

TEX-8 : 2380 acres

**Tex Ranch Non-Contiguous Tract Acreage**



- The plat on the previous page is a non-contiguous lease that we are calling the “Tex Ranch” lease.
- There are eight non-contiguous sections, each with a color-coded label.
- When you have a non-contiguous lease, it is required to show the total acreage of each non-contiguous section using either a chart (as seen in the previous image), or acreage labels within the map section of the plat.

Below is an image of Page 2 of the P-16, being used creatively to show the breakdown of the acreage assignments to wells from each non-contiguous tract.

Section V and Section VI are color coded to match the tracts from the plat shown on the previous page.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY					
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A TEX-1	TEX-1	80.000			
B TEX-2	TEX-2	80.000			
C TEX-3	TEX-3	80.000			
D TEX-4	TEX-4	80.000			
E TEX-5	TEX-5	240.000			
F TEX-6	TEX-6	160.000			
G TEX-7	TEX-7	160.000			
H TEX-8	TEX-8	2380.000			
Total Acreage =		3260.000			

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A TEX-1	Acres From B TEX-2	Acres From C TEX-3	Acres From D TEX-4	Acres From E TEX-5	Acres From F TEX-6	Acres From G TEX-7	Acres From H TEX-8
12345	Allocation Well 1	123-45678	1	Alloc.	N	25.000	20.000	5.000						
23456	Allocation Well 2	123-45677	2	Alloc.	N	30.000	20.000	10.000						
34567	Allocation Well 3	123-45679	3	Alloc.	N	55.000	20.000	5.000	30.000					
45678	Allocation Well 4	123-45674	4	Alloc.	N	60.000				20.000		40.000		
56789	Allocation Well 5	123-45675	5	Alloc.	N	70.000					20.000		10.000	40.000
67891	Allocation Well 6	123-45672	6	Alloc-SL	N	0.000					0.000		0.000	0.000

The six wells listed are taking acreage from more than one non-contiguous tract, within this non-contiguous lease.

SECTION V. LISTING OF ALL TRACTS CONTRIBUTING ACREAGE TO AN RRC DESIGNATED DEVELOPMENTAL UNIT THAT IS NOT A SINGLE LEASE, POOLED UNIT, OR GROUP OF TRACTS UNITIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY					
RRC ID No., Lease No. or Tract ID	Lease Name	Beginning Lease Acres	Ownership Interval (Upper)	Ownership Interval (Lower)	Operator Name and Operator No. (if different from filing operator)
A	TEX-1	80.000			
B	TEX-2	80.000			
C	TEX-3	80.000			
D	TEX-4	80.000			
E	TEX-5	240.000			
F	TEX-6	160.000			
G	TEX-7	160.000			
H	TEX-8	2380.000			
Total Acreage =		3260.000			

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION VI. LISTING OF ALL WELLS IN THE REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER													
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. (Y/N)	*Total Acres Assigned	Acres From A	Acres From B	Acres From C	Acres From D	Acres From E	Acres From F	Acres From G
12345	Allocation Well 1	123-45678	1	Alloc.	N	25.000	TEX-1	TEX-2	TEX-3	TEX-4	TEX-5	TEX-6	TEX-7
23456	Allocation Well 2	123-45677	2	Alloc.	N	30.000	20.000	5.000	10.000				
34567	Allocation Well 3	123-45679	3	Alloc.	N	55.000	20.000	5.000	30.000				
45678	Allocation Well 4	123-45674	4	Alloc.	N	60.000				20.000		40.000	
56789	Allocation Well 5	123-45673	5	Alloc.	N	70.000					20.000		10.000
67891	Allocation Well 6	123-45672	6	Alloc.-SL	N	0.000					0.000		0.000

If we look at Allocation Well 3 for example (third row):

- It has a 55-acre assignment from the Tex Ranch Lease.
- The 55-acre assignment comes from 3 non-contiguous sections of the Tex Ranch lease.
- However, on the actual P-16 for the well, you would only see 55 acres and would not know how much comes from each non-contiguous section.
- Using this method, we can see that 20 acres comes from TEX-1, 5 acres from TEX-2, and 30 acres from TEX-3.
- Knowing that each is 80 acres total, we know how many acres are left to assign from each.
- This can help identify if there is any danger of a Rule 39 situation arising, which would need a hearing to resolve.

\*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)

If you were in a situation in which you needed to utilize the P-16 in such a manner, then you would follow these points:

- Only Page 2 of the P-16 would be used.
- The file name for the attachment would be clear and obvious: “TEX Ranch Non-Contiguous Acreage P-16.”
- It would be attached as a P-16 classification.
- A comment would be added on the Well P-16, directing attention to the Non-Contiguous P-16.
- A Non-Contiguous Plat would be attached showing the total acreage of the full lease, along with the individual acreage totals for each non-contiguous section.
- A comment would be added on the W-1 itself directing attention to the Non-Contiguous Plat and supplemental Non-Contiguous acreage P-16.

We hope the topics discussed in this advanced guide are helpful for your difficult permitting situations, that they have provided ideas on how to creatively use the P-16 as a tool to provide supplemental acreage information, and they have sparked ideas on how to be more efficient with your P-16s.

**Please use the contact information for the Drilling Permits team to reach out for any questions.**

**Thank you.**