



Form P-16 Discussion

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FORM P-16

OVERVIEW AND DISCUSSION

ACREAGE DESIGNATION

Class Synopsis



This presentation will highlight the revisions and enhanced features of the Form P-16. Discussion will focus on requirements of the form for a W-1 as compared to a G-1 or W-2, as well as highlights for common issues encountered by RRC staff when reviewing the Form P-16 submissions.

Introduction



Part 1: When do you need to file the P-16

Part 2: Discussion of revisions

Part 3: Data Entry, W1 vs. G1/W2



With a W-1 application:

- Any Horizontal W-1 application
 - Including Allocation and PSA wells
- All wellbore profiles in a UFT field
- Please use the new form (Rev. 09/2019)
- If amending a W-1 that used the old form, and no changes are required, it is ok to submit the old form.

Part 1 – When to file the P-16 (2 of 2)



With a G-1/W-2 packet:

- New producing horizontal well
- Allocation or PSA well
- Any well being completed in a UFT field
- When adjusting assigned acreage
- If field rules require a P-15 and acreage list the P-16 can be filed in lieu of these forms
- Please use the new form (Rev. 09/2019)

Required Section by Profile Type



| Wellbore Profile | Section I | Section II | Section III | Section IV | Section V | Section VI | Attachment 1A | Attachment 2A |
|---------------------------------|-----------|------------|-------------|------------|-----------|------------|---------------|---------------|
| Vertical Well | Yes | Yes | Yes | Optional | No | No | Optional | No |
| Directional Well | Yes | Yes | Yes | Optional | No | No | Optional | No |
| Horizontal Well | Yes | Yes | Yes | Optional | No | No | Optional | No |
| Allocation Well | Yes | Yes | No | Optional | Yes | Yes | No | Optional |
| PSA Well | Yes | Yes | No | Yes | Yes | Yes | No | Optional |
| Stacked Lateral Well | Yes | Yes | Yes | Optional | No | No | Optional | No |
| Stacked Lateral Allocation Well | Yes | Yes | No | Optional | Yes | Yes | No | Optional |
| Stacked Lateral PSA Well | Yes | Yes | No | Optional | Yes | Yes | No | Optional |

Keep in mind that these requirements might change according to field rules.

QUESTIONS?



Part 2 – Form Revisions



- Part Two of this presentation will discuss the changes that were made to Sections on the Form P-16
- Sections that have experienced changes are:
 - Section II
 - Section III
 - Section V
 - Section VI



Section II Additions:

- Proration acres box
 - References the subject well
 - Not a cumulative total
- Enhanced Wellbore Profile Selection
- UFT Field Designation (Yes or No)
- Stacked Lateral Designation
 - Status/Permit Number of parent well

Form P-16 : Section II Changes (2 of 2)



Highlighted cells are new to the form

| SECTION II. WELL INFORMATION | | | |
|--|------------|----------------------|------------|
| District No.: | | API No.: | |
| Well No.: | | Drilling Permit No.: | |
| Lease Name: | | RRC ID or Lease No.: | |
| Total Lease Acres: | | Field Name: | |
| Proration Acres: | | Field No.: | |
| Wellbore Profile | Select One | Is this a UFT field? | Select One |
| SL Record (Parent) Well Drilling Permit No.: | | County: | Select One |

Purpose of Filing:

Drilling Permit Application (Form W-1)

Completion Report (Form G-1/W-2)

Wellbore Profile Options

| | |
|------------------|---------------------------------|
| Wellbore Profile | Select One |
| SL Record (Pa | Vertical Well |
| | Directional Well |
| | Horizontal Well |
| | Allocation Well |
| | PSA Well |
| RRC ID N | Stacked Lateral Well |
| Lease N | Stacked Lateral Allocation Well |
| | Stacked Lateral PSA Well |

UFT Options

| | |
|----------------------|------------|
| Is this a UFT field? | Select One |
| County: | Select One |
| | Yes |
| WELLS IN THE APPLIED | No |

Form P-16 : Section III Changes



| RRC ID No. or Lease No. | Well No. | Profile | |
|-------------------------|----------|-----------|---|
| | | | ▼ |
| | | Vert. | ^ |
| | | Direc. | |
| | | Horiz. | |
| | | Alloc. | |
| | | PSA | |
| | | SL | |
| | | Alloc.-SL | |
| | | PSA-SL | ▼ |

- A drop-down menu was added for the wellbore profile selection in Section 3
- If UFT is YES in Section 2, the profile selection will affect the auto-calculated totals

Section III Auto-calculation:

- Triggered by well number
- Start entering data in the first line
- Section 2 profile and UFT status affect auto-calculation to reflect field rules



- Page 1A is a continuation of Section III
- All changes made to Section III will apply to Page 1A

Form P-16 : Section V Changes (1 of 3)



- Tract identifiers added
 - There are now letters preceding each row on the left side of the section.
 - These letters will auto populate into the column headers of Section VI.
- Lease No. triggers auto-calculation of totals
 - If no lease number, you can use:
 - A, B, C, etc. (Matches up with identifiers)
 - Undev. - (abbreviation for Undeveloped)
 - New – (suggested due to simplicity in Section 6)
 - Pending



- Acreage columns are still the same:
 - Beginning acreage is the size of the tract
 - Assigned proration acreage is what you want to give the subject well, from this tract
 - Remaining acreage is simple subtraction between the previous two values
- Added additional total box so that all acreage columns now have a total

Form P-16 : Section V Changes (3 of 3)



| 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 | Allocated Lease Acres | Ending Lease Acres | Operator Name and Operator No. (if different from filing operator) |
| A | | | | | |
| B | | | | | |
| C | | | | | |
| D | | | | | |
| E | | | | | |
| F | | | | | |
| G | | | | | |
| H | | | | | |
| Total Acreage = | | | | | |

The revisions to Section V have been highlighted

- The tract identifiers referenced on Slide #10 are shown on the left
- The revised total boxes referenced on Slide #11 are shown below the three acreage columns



- Complete rework of Section
- No longer two columns side by side
- Wells are listed on a row basis
 - Allocation and PSA wells are now listed once
 - Previously were listed multiple times due to old columns
- Profile selection added
 - This is identical to Section III, and functions the same way



- Total assignment column
 - This column will be a total of the proration assignments to each well
 - Auto-calculated from the totals listed in the columns to the right
 - Total should equal at least the minimum
 - Well number column will trigger the auto-calculation
 - Auto-calculation will be influenced by Section II attributes
 - Profile and UFT designation



- Acreage assignment columns
 - Headers are auto-populated and arranged based on Section V tract listing
 - Letter assignment cannot be changed.
 - Name of column can be changed
 - This is to allow filers to enter additional tracts for domino effect changes to assigned acreage at the time of completion
- Vertical orientation of columns
 - The vertical orientation of lease columns have removed the situation in which a well was redundantly listed more than once in this Section



- Page 2A is a continuation of Section VI
- All changes made to Section VI will apply to Page 2A

QUESTIONS ?



Are there any questions?



Part 3



This portion of the discussion will focus on the Form P-16 Data Entry requirements by Section.

There are different requirements when filing with a W-1 and a G-1/W-2.

Section I



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1
Rev. 05/2019

Acreage Designation

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 I. OPERATOR INFORMATION

| | | | |
|-------------------|--|-------------------|--|
| Operator Name: | | Operator P-5 No.: | |
| Operator Address: | | | |

- P-5 (Operator) Number
- Operator Name
- P-5 Address

P-16 Section II – Data Entry (1 of 2)



| SECTION II. WELL INFORMATION | | | | |
|--|------------|----------------------|------------|---|
| District No.: | | API No.: | | Purpose of Filing: <input type="checkbox"/> Drilling Permit Application (Form W-1) <input type="checkbox"/> Completion Report (Form G-1/W-2) |
| Well No.: | | Drilling Permit No.: | | |
| Lease Name: | | RRC ID or Lease No.: | | |
| Total Lease Acres: | | Field Name: | | |
| Proration Acres: | | Field No.: | | |
| Wellbore Profile | Select One | Is this a UFT field? | Select One | |
| SL Record (Parent) Well Drilling Permit No.: | | County: | Select One | |

- *All fields are required, if applicable*
- **District No.** - based on the District assignment for the lease id
- **Well No. and Lease Name**
 - These values are for the subject well and should match what is shown on the W-1 or the G-1/W-2
- **Total Lease Acres**
 - The total size of the lease, pooled unit, or developmental acreage being proposed or completed



- **Proration Acres** - Proration acreage for the well
 - W-1 = the proposed assignment
 - G-1/W-2 = assignment to be built to schedule
- **Wellbore Profile and UFT Designation**
 - Options are selected from a drop-down menu
 - Selections affect auto-calculation of form
- **SL Record (Parent) Well Drilling Permit No.**
 - Status # or Permit # for the parent well, if stacked lateral is selected from profile menu

Section II



- **API No. and Drilling Permit No.**
 - OK to be left blank for a W-1, if not an amendment
 - Will always have a value for a G-1/W-2
- **RRC ID or Lease No.**
 - OK to be blank for a W-1, if not yet assigned
 - OK to be blank for a G-1/W-2 if this is the 1st well being completed on a lease

Section II – Common Issues (1 of 2)



| | |
|---|-----------------|
| District No.: | |
| Well No.: | |
| Lease Name: | |
| Total Lease Acres: | |
| Proration Acres: | |
| Wellbore Profile | Horizontal Well |
| SL Record (Parent) Well Drilling Permit No.: | |

- Lease name not matching W-1 or G-1/W-2
- Proration Acres box not being used with a W-1
- Incorrect wellbore profile selection
 - Choosing Horizontal instead of Stacked Lateral
- Not adding Parent well Status/Permit No.

Section II – Common Issues (2 of 2)



| | |
|----------------------|------------|
| API No.: | |
| Drilling Permit No.: | |
| RRC ID or Lease No.: | |
| Field Name: | |
| Field No.: | |
| Is this a UFT field? | Select One |
| County: | Select One |

- Field No. not referencing the named field
 - Using STA R40 field No., but STA field name
- Not identifying UFT Field Designation



What Wells are listed in Section III?

- **W-1:**
 - Proposed wells (applied for), Approved wells not yet completed, Completed wells, Shut-In Wells, Temporarily Abandoned wells.
 - All types listed above are included in the well count on the W-1
- **G-1/W-2:**
 - Completed wells

Section III – Data Entry (2 of 4)



- **RRC ID No. or Lease No.** – enter if assigned
- **Well number:**
 - Will always have a value
 - This column triggers auto-calculation for this Section
- **Proration Acre Values:**
 - Completed wells: match current schedule exactly
 - Proposed wells: minimum required by field rules
- **Profile:**
 - Needs to be accurate. This affects auto-calculation
- **Lease Name** – matches W-1 or G-1/W-2

Section III – Data Entry (3 of 4)



- **API No. :**
 - Required if assigned
 - If not yet assigned, use 'Pending' or the W-1 status #
 - A G-1/W-2 should always have API No. values
- **Acres Assigned:**
 - For a W-1:
 - completed well assignments should exactly match the current proration schedule (acreage is not changed with a W-1 application)
 - proposed wells not yet completed, should only show the minimum required by the field rules
 - For a G-1/W-2, the assignments can be changed, as this will drive the creation, or revision, of the schedule

Section III – Data Entry (4 of 4)



- **SWR 38 Except. (Y/N):**
 - A well listed here should accurately reflect whether or not a Rule 38 was approved
 - Selecting Yes, justifies a substandard assignment
 - An Allocation or PSA well listed in this Section will also show a substandard assignment, because we are only concerned with the assignment from this tract, to that well. It may or may not have a Rule 38
- **Operator Name:**
 - If another operator controls a well listed, it is required to list that operator name

Section III – Common Issues (1 of 2)



- **Incorrect Information:**
 - Well Numbers and/or API Numbers
 - Profile selection
 - Incorrect Lease Names and Lease ID's
- **Acreage assignments:**
 - Not matching proration schedule for completed wells when being filed with a W-1
- **Subject well missing:**
 - The subject well being proposed or completed should be listed in this Section, along with other required well listings for your W-1 or G-1/W-2
- **Missing required well listings**



- This is a comments box
- Any useful information you need to provide
- PSA acreage statement (required for PSA)
 - MINERAL **AND** WORKING Interests
 - At least 65% agreement to production sharing
 - Need to meet 65% **IN EACH TRACT**
 - Specific numbers per tract, or:
 - Statement should reference “from all tracts”

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 | Allocated Lease Acres | Ending Lease Acres | Operator Name and Operator No. (if different from filing operator) |
|--------------------------------------|------------|--------------------------|--------------------------|-----------------------|---|
| A | | | | | |
| B | | | | | |
| C | | | | | |
| D | | | | | |
| E | | | | | |
| F | | | | | |
| G | | | | | |
| H | | | | | |
| Total Acreage = | | | | | |

Section V is Only Used for Allocation or PSA submissions

This Section defines the composition of the developmental acreage.

Section V – Data Entry (1 of 3)



- **RRC ID No., Lease No. or Tract ID:**
 - An existing oil lease or gas lease id number should be entered, if assigned
 - The number entered should be visible in Section VI
 - ID numbers should match RRC records
- **Lease Name:**
 - The name of an existing lease or pooled unit being used
 - If using an undeveloped tract, see Slide #10 for labeling options.
 - The lease name or tract identifier (A, B, C, etc.) should be labeled on the plat and match

Section V – Data Entry (2 of 3)



- **Beginning Lease Acres:**
 - The total size of each individual tract being used in the developmental acreage.
- **Allocated Lease Acres:**
 - The amount of proration acres being allocated to the subject well from each individual tract.
 - The cumulative total should be equal to or greater than the minimum per the field rules, unless a Rule 38 exists.
- **Ending Lease Acres:**
 - The amount of acreage left over after subtracting the allocated acres from the beginning acres.
 - Only accounts for the subject well. Other wells are accounted for in Section VI.



- **Operator Name and Operator No:**
 - If different from the filing operator, this field should be used.
 - Enter the name of the operator that controls the specific tract.
 - A statement from the listed operator in which they acknowledge that any proration acres proposed or held by the subject well, will not be available for assignment to any future well that is proposed or completed in the referenced tract.
 - This statement is required to prevent any future double assignment of acreage in this tract.



- **Lease ID No's. (Oil or Gas) not being listed**
- **Lease or Tract Names not matching the plat**
- **Incorrect Beginning Acreage**
- **Incorrect or Incomplete Acreage Assignments:**
 - Acres assigned to Stacked Laterals should be zero
 - If not a Stacked Lateral, there should be an assignment from each listed tract
- **Other operator names not being listed**
 - Not providing the No Double Assignment of Acreage Statement if another Operator is listed

Section V – Common Issues (2 of 2)



| 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 INITIALIZED BY CONTRACT FOR PURPOSES OF SECONDARY RECOVERY | | | | | |
|--|------------|--------------------------|--------------------------|-----------------------|---|
| RRC ID No., Lease No. or Tract ID | Lease Name | Beginning Lease Acres | Allocated Lease Acres | Ending Lease Acres | Operator Name and Operator No. (if different from filing operator) |
| A | | | | | |
| B | | | | | |
| C | | | | | |
| D | | | | | |
| E | | | | | |
| F | | | | | |
| G | | | | | |
| H | | | | | |
| Total Acreage = | | | | | |

The tract identifiers (orange) and the RRC ID No., Lease No. or Tract ID (yellow) will automatically populate the headers in Section VI

| | RRC ID No., Lease No. or Tract ID |
|---|--------------------------------------|
| A | |
| B | |
| C | |
| D | |
| E | |

| Acres From |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |



Only Used for Allocation or PSA submissions

This Section lists all wells that have acreage proposed or assigned from each tract in the developmental acreage.

- **For a W-1 application:**
 - The proposed well will ***NOT*** be listed
- **For a G-1/W-2 packet submission:**
 - The well being completed ***WILL*** be listed



- **RRC ID No., Lease No. or Tract ID:**
 - Oil wells are assigned the same lease id number, specific to the acreage, and should be entered accordingly.
 - Gas wells are assigned unique lease id numbers, regardless of the acreage.
 - Gas ID's should be entered accurately.
 - At least one of the ID's should be listed in Section V to identify this particular developmental tract.
 - If an ID is not yet assigned, then a placeholder should be used: New, Pending, or the W-1 Status/Permit #

Section VI – Data Entry (3 of 8)



- **Lease Name:**
 - The name of an existing lease or pooled unit
 - If using an undeveloped tract, see Slide #10 for labeling options.
- **API No.:**
 - The API Number should be accurate.
 - If an API is not yet assigned, use the W-1 Status # or 'NEW' (This will always have a value with a G-1/W-2)
- **Well No.:**
 - Will always have a value and triggers auto-calculation



- **Profile:**
 - Choose from drop down menu
 - Same options from Section III (see slide #8)
 - Profile will affect auto-calculation if UFT Designation in Section II is YES
 - If a well is a Stacked Lateral, ensure the correct option is selected
 - If any of the three stacked lateral options are selected, and an acreage assignment is given, the total assigned field for this well will turn red

Section VI – Data Entry (5 of 8)



- **SWR 38 Except. (Y/N):**
 - This should accurately reflect whether or not a Rule 38 was issued for a particular well
 - Selecting Yes, justifies a substandard assignment
 - It is possible for an Allocation or PSA well listed in this Section to also show a substandard assignment, It may or may not have a Rule 38
- **Total Acres Assigned:**
 - Auto-calculated cumulative total of all values listed to the right of this field.
 - Rule 38, Allocation, and/or PSA wells can potentially show less than the minimum of the field rules

Section VI – Data Entry (6 of 8)



- **Acres From:**
 - These 8 columns reflect the acreage assigned to wells from each developmental tract listed in Section V
 - Two headers for each column:
 - Upper header is the ID letter from Section V
 - Lower header is the lease name
 - Upper is NOT editable, lower is editable
 - Left to Right order mirrors Top to Bottom from Section V
 - Acreage assigned from each developmental tract, to each well listed, should be accurate

Section VI – Data Entry (7 of 8)



- **Acres From (additional information):**
 - If a listed well is a base lease well, then it will only have a value in the respective lease column
 - Stacked Lateral wells will show Zero acres
 - Shut-In wells holding zero acreage on schedule, will also have a Zero assignment
 - If a well is not using a particular tract, then each respective column will be BLANK
 - Do NOT put Zeroes in this case
 - A Zero indicates that the well is using the tract, but has no acreage assigned
 - A blank cell indicates that the well is not using that tract

Section VI – Data Entry (8 of 8)



- **Acres From (Additional Information, Part 2):**
 - **For a W-1 application:**
 - Proposed wells not yet completed to schedule should reflect the minimum per the field rules
 - The cumulative assignment should equal the minimum, per the field rules, for Allocation or PSA wells
 - Completed wells should match the schedule
 - **For a G-1/W-2:**
 - The acreage can be adjusted, as the Completion Packet P-16 will dictate the creation or revision of the Proration Schedule

Section VI – Common Issues (1 of 2)



- Section not being used when Allocation or PSA is selected in Section II
- Proposed well listed (W1 Application Only)
- Completed well assignments not matching proration schedule (W-1 Application Only)
- Incorrect Lease Id's and API Numbers
- Zero acreage being shown for tracts that a particular well does not use (should be blank)
- Acreage being shown for Stacked Laterals (should be zero)
- Incorrect Profile selection

Helpful Hints



- Scale factor (numbers showing as symbols)
 - (zoom controls lower right)
- No auto-calculation on PDF
- Build in Excel and Output as a PDF file
- File organization
- Keep an Excel version for each tract configuration
- Do not round acreage.

ANY FINAL QUESTIONS ?



Contact Drilling Permits



For immediate assistance please call the Well Compliance for producing or shut-in wells.

Phone: 512-463-6751

Fax: 512-463-6780

Email: drillingpermitsinfo@rrc.texas.gov

Website: <http://www.rrc.texas.gov/>

Address: P.O. Box 12967, Austin, Texas 78711-2967

Contact Well Compliance



For immediate assistance please call the Well Compliance for producing or shut-in wells.

Phone: 512-463-6975

Fax: 512-463-6955

Email: prorationunit@rrc.texas.gov

Website: <http://www.rrc.texas.gov/>

Address: P.O. Box 12967, Austin, Texas 78711-2967

Thank You



Drilling Permits:

lorenzo.garza@rrc.texas.gov

Well Compliance:

jacquelyn.teseny@rrc.texas.gov

