



- It is a fractionalized carveout from a larger real property estate (typically a leasehold estate).
- The "narrowest" form of oil and gas interest.

## *Petro Pro, Ltd. v. Upland Res., Inc.*, 279 S.W.3d 743, 752 (Tex. App.—Amarillo 2007)

• All of Seller's right, title and interest in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof ("Subject Leases") insofar and only insofar as said leases cover rights in the wellbore of the King "F" No. 2 Well.



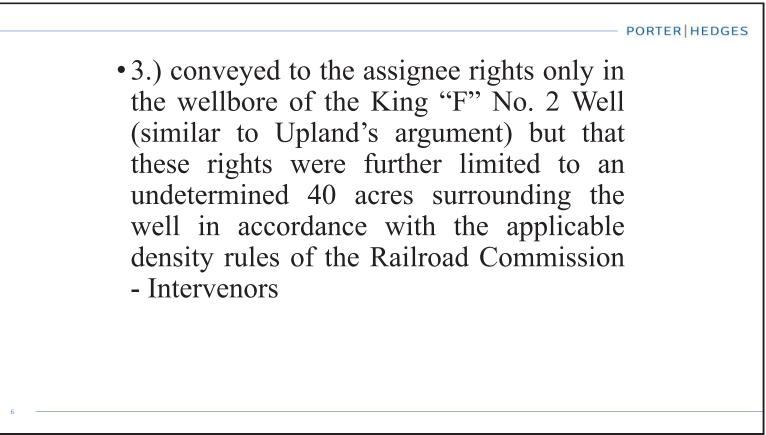
## **Three Competing Interpretations**

1.) conveyance conveyed all of the assignor's right, title and interest in and to the entire 704-acre unit, including the right to "extend one or more horizontal drainholes from the King "F" No. 2 wellbore into other productive areas of the lease." – Petro Pro

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• 2.) conveyance language conveyed to the assignee only rights in the wellbore of the King "F" No. 2 Well limited to the then producing formation in such well (being the Cleveland formation) - Upland

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