

Railroad Commission Update

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Overview

- Double-Assignment of Acreage
- Mineral Interest Pooling Act
- Allocation Well Permitting
- Disposal Well Permitting
- Recent Statewide Rule Amendments



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Double-Assignment of Acreage

- What is double-assignment of acreage?
 - Tract of land
 - Assigned to two different wells
 - Same RRC field
 - For permitting, proration, and production



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Double-Assignment of Acreage

- Historically banned by the RRC
 - Statewide Rule 40 prohibits double assignment of acreage to a “well for drilling and development, or for the allocation of allowable.”



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Double-Assignment of Acreage

- Under Statewide Rule 40:
 - if acreage is assigned to a well to receive an allowable in a field, then no other well can produce from that same acreage in that same field



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Double-Assignment of Acreage

- Initial problem:
 - Vertical Wells vs. Horizontal Wells
 - Fields originally developed with vertical wells are later developed with horizontal laterals
 - Assignment of acreage to Vertical Wells left no acreage to assign to Horizontal Wells



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