

FUNDAMENTALS AND INSTITUTE

HOUSTON April 13–14, 2017 Royal Sonesta Hotel • Houston, Texas Railroad Commission Update

Brian R. Sullivan, McElroy, Sullivan, Miller, Weber & Olmstead, L.L.P., Austin, TX



McElroy, Sullivan, Miller, Weber & Olmstead, L.L.P. | www.msmtx.com

Brian R. Sullivan, PE Attorney Bsullivan@msmtx.com

> Thank you to the Oil & Gas Section Travis County Bar Association February 8, 2017



Write My E.E. Smith Paper

Topics

- 1. Current Commissioners
- 2. Ethics Moment
- 3. Is My Well an Oil Well or Gas Well?
- 4. Recent Rule Changes
 - 1. Proposed Changes to 16 TAC § 3.1
 - 2. Rule 28 Potential and Deliverability of Gas Well to be Ascertained and Repeated
 - 3. Rule 86 Horizontal Drainhole Wells the UFT Rules
- 5. Force Pooling Ammonite
- 6. Delaware Basin
 - 1. GLO v. TRC
 - 2. Overlapping Correlative Intervals
- 7. Allocation Well update

Commissioners





Christi Craddick Chairman



Wayne Christian

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		MONTHL	Y OIL AND GAS I	PRODUCTION E	YYEAR							
		J	ANUARY 2010 - D	ECEMBER 2016								
	тот	AL OIL PRODU	TION (Barrels; ir	ncludes Crude O	il and Condensa	te)		_				
MONTH	2010	2011	2012	2013	2014	2015	2016	;				
JANUARY	34,064,280	39,713,178	53,400,861	70,296,132	87,829,608	105,479,919	102,49	4,664				
FEBRUARY	31,394,151	34,368,069	51,331,346	65,253,457	80,948,505	98,484,191	94,64	1,102				
MARCH	35,248,328	41,434,278	55,742,194	73,751,833	91,462,693	111,089,782	99,62	6,228				
APRIL	34,112,695	40,455,785	55,983,106	72,376,354	91,145,552	105,885,346	94,94	4,226				
MAY	35,532,472	43,179,396	59,146,480	77,034,062	94,793,342	107,586,961	96,35	6,637				
JUNE	34,164,039	41,993,770	58,324,092	75,780,848	94,034,168	102,595,022	92,27	5,298				
JULY	35,728,770	44,498,332	61,785,419	79,784,674	99,182,386	105,658,186	93,95	9,063				
AUGUST	36,199,134	46,146,610	63,470,097	80,747,900	100,808,677	104,713,363	93,31	3,058				
SEPTEMBER	35,732,410	46,096,329	62,540,351	79,650,038	97,825,050	101,226,941	88,68	3,518				
OCTOBER	37,660,809	49,425,570	66,587,078	82,822,934	103,210,362	104,035,339	91,27	76,151				
NOVEMBER	37,286,218	49,668,501	66,390,107	80,264,439	102,409,769	100,461,421	86,92	0,764				
DECEMBER	39,621,320	52,277,269	69,036,270	85,729,907	108,720,068	101,792,168	* 83,27	76,123				
ANNUAL TOTAL	426,744,626	529,257,087	723,737,401	923,492,578	1,152,370,180	1,249,008,639	1,117,766	6,832				
	426,744,626	529,257,087	723,737,401	923,492,578					includes Gas We	ell Gas and Casing	phead Gas)	
	426,744,626	529,257,087	723,737,401	923,492,578 MOI	т	OTAL NATURAL			includes Gas We	ell Gas and Casing 2014	phead Gas) 2015	2016
	426,744,626	529,257,087	723,737,401		TO NTH 20	DTAL NATURAL	GAS PROD	OUCTION (MCF,		-		
	426,744,626	529,257,087	723,737,401	мон	T(NTH 20 RY 619	DTAL NATURAL 210 2 ,033,596 648	GAS PROD	DUCTION (MCF,	2013	2014	2015	710,433,882
	426,744,626	529,257,087	723,737,401	MOI JANUAI	TC NTH 20 RY 619 ARY 568	07AL NATURAL 010 2 ,033,596 644 ,687,012 561	GAS PROD 011 8,755,409	2012 684,478,850	2013 689,291,871	2014 701,492,277	2015 742,606,600	710,433,882 666,715,555
	426,744,626	529,257,087	723,737,401	MOI JANUAI FEBRUA	T(VTH 2 cc RY 619 ARY 568 640	DTAL NATURAL >10 2 ,033,596 644 ,687,012 562 ,149,483 666	GAS PROD 011 3,755,409 ,169,400	2012 684,478,850 637,944,677	2013 689,291,871 629,520,248	2014 701,492,277 636,010,917	2015 742,606,600 682,497,723	710,433,882 666,715,559 708,063,491
	426,744,626	529,257,087	723,737,401	MOI JANUAR FEBRUA MARCH	T(NTH 2 c RY 619 ARY 568 640 610	DTAL NATURAL 210 2 ,033,596 6648 ,687,012 563 ,149,483 666 ,070,466 644	GAS PROD 011 3,755,409 ,169,400 4,950,131	2012 684,478,850 637,944,677 680,931,315	2013 689,291,871 629,520,248 700,859,670	2014 701,492,277 636,010,917 720,973,306	2015 742,606,600 682,497,723 759,547,724	2016 710,433,882 666,715,559 708,063,491 679,646,019 697,346,667
	426,744,626	529,257,087	723,737,401	MOT JANUAR FEBRUA MARCH APRIL	T(2cc NTH 2cc RY 619. ARY 568 640. 610. 640. 640.	DTAL NATURAL 10 2 033,596 6648 ,687,012 5651 ,149,483 666 ,070,466 644 ,584,027 67	GAS PROD 011 3,755,409 ,169,400 ,950,131 4,710,130	2012 684,478,850 637,944,677 680,931,315 667,442,797	2013 689,291,871 629,520,248 700,859,670 682,587,074	2014 701,492,277 636,010,917 720,973,306 712,290,064	2015 742,606,600 682,497,723 759,547,724 738,055,493	710,433,882 666,715,559 708,063,491 679,646,019 697,346,667
	426,744,626	529,257,087	723,737,401	MOI JANUAR FEBRUA MARCH APRIL MAY	Tft Zzc RY 619 ARY 568 640 610 640 611	NIO 2 033,596 644 ,687,012 565 ,149,483 666, ,070,466 644 ,584,027 677, 496,160 644,	GAS PROD 011 3,755,409 ,169,400 4,950,131 4,710,130 7,087,445	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688	710,433,882 666,715,559 708,063,491 679,646,019 697,346,667 673,036,723
	426,744,626	529,257,087	723,737,401	MOI JANUAH FEBRUA MARCH APRIL MAY JUNE	TC NTH 2.c RY 619. IRY 568 640. 610. 640. 611. 633. 633.	NO 2 003,3596 6644 ,687,012 563 ,149,483 666 ,070,466 644 ,584,027 677 ,496,160 664 ,883,824 670	GAS PROD 011 3,755,409 ,169,400 4,950,131 4,710,130 7,087,445 7,710,662	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298 664,748,008	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649 693,317,887	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280 724,009,824	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688 729,743,483	710,433,882 666,715,559 708,063,491 679,646,019
	426,744,626	529,257,087	723,737,401	MOI JANUAH FEBRUA MARCH APRIL MAY JUNE JULY	TC NTH 2 cr RY 619 ARY 568 640 610, 640 611, 633, 7	DTAL INATURAL 210 2 2033,556 644 687,012 565 2149,483 666 0,70,466 644 687,012 677 496,160 644 883,824 670 216,027 677	GAS PROD 011	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298 664,748,008 697,111,349	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649 693,317,887 716,475,160	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280 724,009,824 746,393,594	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688 729,743,483 755,413,351	710,433,882 666,715,555 708,063,491 679,646,019 697,346,667 673,036,723 684,611,701 677,616,034
	426,744,626	529,257,087	723,737,401	MOI JANUAR FEBRU/ MARCH APRIL MAY JUNE JULY AUGUS	TC NTH 2 cc RY 639 ARY 568 640 610, 640 611, 633, 633, T 639 IBER 623,	DTAL INATURAL 20 2 2033,556 6644 687,012 565 419,483 666 0,70,466 644 584,027 677 496,160 644 200 677 496,160 644 100 777	GAS PROD 011 0 ,755,409 0 ,169,400 0 ,950,131 0 ,087,445 0 ,710,662 0 ,458,789 0 ,922,983 0	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298 664,748,008 697,111,349 702,211,828	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649 693,317,887 716,475,160 716,919,397	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280 724,009,824 746,393,594 752,533,887	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688 729,743,483 755,411,351 750,548,503	710,433,882 666,715,555 708,063,491 679,646,019 697,346,667 673,036,723 684,611,701 677,616,034 639,574,845
	426,744,626	529,257,087	723,737,401	MOI JANUAR FEBRUA MARCH APRIL MAY JUNE JULY AUGUS SEPTEN	TC NTH 2 cc RY 619 ARY 568 640 610, 640 611, 633, 633, T 639 ABER 623,	DTAL INATURAL 20 2 2033,596 644 687,012 565 210,033,596 644 687,012 565 210,070,466 644 647,072 677 496,160 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,466 644 210,070,470,470,470,470,470,470,470,470,47	GAS PROD 011 0 1,755,409 0 1,169,400 0 1,950,131 0 1,970,130 0 1,9	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298 664,748,008 697,111,349 702,211,828 681,365,614	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649 693,317,887 716,475,160 716,919,397 693,133,486	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280 724,009,824 746,393,594 752,533,887 721,738,963	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688 729,743,483 755,411,351 755,548,503 727,431,617	710,433,882 666,715,559 708,063,493 679,646,019 697,346,667 673,036,723 684,611,703 677,616,034 639,574,845 650,630,404
	426,744,626	529,257,087	723,737,401	MOI JANUAH FEBRUA MARCH APRIL MAY JUNE JULY AUGUS SEPTEN OCTOB	TC NTH 2 cc NTH 2 cc RY 6 lag ARY 568 Gau 6 lag Gau 6 lag Gau 6 lag BER 6 lag IBER 6 lag	DTAL INJURU 20 2 2033,596 644 687,012 565 2149,483 666 070,463 644 584,027 677 496,160 644 210,021 676 496,160 647 210,021 677 496,160 647 759,856 668 769,856 668 584,303 677	GAS PROD 011 0 1,755,409 0 1,169,400 0 1,087,445 0 1,087,445 0 1,087,445 0 1,087,445 0 1,087,444 0 1,922,983 0 1,367,044 0	2012 684,478,850 637,944,677 680,931,315 667,442,797 688,204,298 664,748,008 697,111,349 702,211,828 681,365,614 699,675,531	2013 689,291,871 629,520,248 700,859,670 682,587,074 712,428,649 693,317,887 716,475,160 716,919,397 693,13,3,486 716,914,935	2014 701,492,277 636,010,917 720,973,306 712,290,064 743,794,280 724,009,824 746,393,594 752,533,887 721,738,963 751,878,058	2015 742,606,600 682,497,723 759,547,724 738,055,493 755,806,688 729,743,483 755,411,351 750,548,503 727,431,617 741,774,976	710,433,882 666,715,559 708,063,493 679,646,019 697,346,667 673,036,723 684,611,701

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