

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division



NOTICE TO OIL AND GAS OPERATORS

Adopted Rule Amendment Allows Assignment of Acreage to Multiple Wells in UFT Fields

After determining there are circumstances in which the assignment of acreage to more than one well in a field is necessary to prevent waste and protect correlative rights in the oil and gas exploration and production industry in Texas, the Railroad Commission of Texas (RRC) has adopted amendments to 16 Texas Administrative Code (TAC) §3.40, relating to Assignment of Acreage to Pooled Development and Proration Units. The rule amendment is effective March 3, 2020.

The amendments to 16 TAC §3.40 allow the same surface acreage to be assigned to more than one well in an unconventional fracture treated (UFT) field when mineral ownership is severed at different depths below the surface. The amended rule also formalizes the process for obtaining an exception to 16 TAC §3.40 for fields that are not classified as a UFT field.

To apply for multiple assignment of acreage, the operator's drilling permit application must indicate the upper and lower limits of the operator's ownership interval measured as the total vertical depth from the surface. For wells permitted prior to adoption of the amended rule when filing completion paperwork on these types of wells, the operator must provide the upper and lower depth severance in the comments field on the completion packet.

If you have questions regarding this notice, contact the appropriate department of the RRC's Oil and Gas Division for assistance.

- Permitting New Wells - drillingpermits-info@rrc.texas.gov or 512-463-6751
- Filing Completion Packets - prorationunit@rrc.texas.gov or 512-463-6975

Please Forward to the Appropriate Section of Your Company