

Section B – Forms Required for Permitting and Drilling a Well

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Introduction

The following document contains informal guidelines concerning some situations in which new and amended drilling permits are required. **These guidelines should not be construed to supersede any Commission orders or statewide rules.** Changes or situations not covered in this document should be referred for decision to the Manager of the Drilling Permits Unit, who will coordinate input from all necessary compliance sections in reaching a decision.

If a permit has been granted with restrictions, the responsibility lies with the operator of record to adhere to those restrictions. If the restrictions are no longer applicable, then an amended permit will be required to remove, change, or correct such restrictions before the well is completed and put on schedule. If the restrictions are not removed, changed, or corrected, the well may be in violation, which could lead to *enforcement actions* and/or *severance* of the well or lease by the RRC Well Compliance and Technical Permitting units.

Examples of restrictions that must be removed by permit amendment:

- Non-concurrent production restrictions to resolve between well and or well density exceptions.
- No Perforation Zone (NPZ) restrictions on wells permitted with horizontal profiles.

IMPORTANT: If a well has been **completed**, and the drilling permit has been **validated** and **closed**, it will be necessary in all cases to obtain a new drilling permit (Re-Completion) to perform any operation that involves drilling or perforating a new section of the wellbore. This includes sidetracks that will be completed in the same field. If you feel changes need to be made to a closed out permit you must contact the Well Compliance section to see if an amendment is necessary or if a new permit will be needed. **If the well already has an open drilling permit, a new drilling permit (non-amendment) will not be required if the permit has not expired.**

Any application filed after Feb. 1, 2016, will be required to comply with new SWR 3.5 requirements. All applications will be required to have GPS coordinates on the Form W-1 and accompanying plat. Any application filed after Feb. 1, 2016, per SWR 40, must include the Form P-16 with any application filed with a horizontal wellbore profile or in a field designated as an Unconventional Fracture Treated (“UFT”) field. As of Feb. 1, 2016, per SWR 86, any plat filed in support of a horizontal well permit must clearly label on the plat the surface location, penetration point, first take point, last take point and terminus location.

General Forms Required for Permitting and Drilling a Well

General forms required prior to commencing operation for the Drilling, Re-Completing, Re-Classing, Re-Entering, or requesting a Field Transfer of an Oil, Gas, Service, or Geothermal Resource well.

Check List	Form	Authorization
<input type="checkbox"/>	P-5	SWR 1 - Before beginning any operations, you must file an organization report showing legal identity (corporation, partnership, etc.), principal officers, and addresses. A form of financial security is required.
<input type="checkbox"/>	W-1	SWR 3.5, 3.37 & 3.78 – Standard size and Shape Tract: Attach a plat and a check for the appropriate fee based on total depth, payable to the Railroad Commission. Send the original form and fee to Austin. An additional fee is required for statewide rule exceptions.
<input type="checkbox"/>	W-1A	SWR 3.37, 3.38 & 3.78 – Non-standard size or shape tract: Submit this additional form if your tract is sub-standard or non-standard size or shape under applicable spacing or density rules. A fee is required for rule exceptions.
<input type="checkbox"/>	W-1D	SWR 3.37, 3.38 & 3.78 – Application for Permit to Drill, Re-Complete, or Re-Enter Supplemental Directional Well Information
<input type="checkbox"/>	W-1H	SWR 3.37, 3.38 & 3.78 – Application for Permit to Drill, Re-Complete, or Re-Enter Supplemental Horizontal Well Information
<input type="checkbox"/>	P-12	SWR 3.37 & 3.40 – Pooled Tracts: File with certified plat for each pooled unit.
<input type="checkbox"/>	P-16	SWR 3.40- Acreage designation sheet required for any well permitted as a horizontal well or in a field classified as a “UFT”.
<input type="checkbox"/>	H-9	SWR 3.36 – Sour Gas: File in triplicate 30 days prior to drilling if drilling in potential sour gas zones

The forms identified in this checklist can be found on the Railroad Commission of Texas website at:
<https://www.rrc.texas.gov/oil-and-gas/oil-and-gas-forms/>

Types of Operations

1. **New Drill** – Any proposed operation where there is currently no established wellbore.
2. **Re-Completion** – Any proposed operation where you will be either plugging back or deepening into a new regulatory zone. If you are adding perforations in the same zone but they are deeper than your approved TVD on the original permit, a Re-Completion permit will be needed.
3. **Re-entry** – Any proposed operation where you will be re-entering a wellbore that has been plugged to surface.
4. **Re-class** – A change in classification of a well from oil to gas or gas to oil, as well as to change a disposal or injection well to a producer. No actual work is being done to the wellbore (i.e., No new perforations or plugs added to the well).
5. **Field Transfer** – Transferring well completed in one regulatory field into another regulatory field. Must have written authority from Commission geologist to do so. No actual work is being done to the wellbore (i.e., No new perforations or plugs added to the well).
6. **Amended** – Any change made to a previously approved application (new drill, re-completion, re-entry, etc.) that has not been closed out with a completion packet.
7. **Amended as drilled (BHL)** – Amendment to a permitted vertical well to show actual BHL as determined by RRC engineering dept. A W-1D must be filed with application showing relationship of BHL to survey and lease lines as well as to nearest well in the permitted fields.
8. **Reapply for an Expired Permit** – An Approved permit to drill is good for two years from the date of the original approval (an amendment will not change the expiration date). If the well location is not spud within that time frame the permit will expire. This option will allow a filer to keep the same API number that was originally issued, receive a new two-year permit. A new permit number will be granted; however, the API will stay the same and any adjustments on the well location can also be made.

What you need to know about the Form W-1 and Forms supporting the Application

1. The permit is good for 2 years from the date of original approval. Amending the permit does not extend the life of the permit.
2. Drilling permit fee. With each application or materially amended application, the applicant shall submit to the Commission a **non-refundable** fee as determined by §3.78.
3. If an application is filed with an incorrect type of operation, the fees **may be lost**, and you will be required to re-file correctly with **new fees**. If you have any question as to what kind of permit you should be filing, please contact the Drilling Permits Dept. at 512-463-6751. Please be mindful of any warning messages given by the system and follow the directions accordingly.
4. A plat is required with all filings. Reference the Plat section on the instruction sheet for the W-1 that describes the plat requirements (see Form W-1 Instructions, Page 2). If the plat that is being filed is supporting a Form P-12 and/or a Statewide Rule Exception, the plat must be certified by a Registered Professional Land Surveyor or by a company representative that will attest to the accuracy of the information presented on the plat.
5. If the application contains multiple profiles (i.e.: Vertical and Horizontal) a separate well plat will be required for each profile that is being applied for.
6. At time of filing the application (Form W-1), the Drilling Permit section does not need to see your proration unit drawn around the well on the plat. At this time, we are only interested in the size of the base lease or pooled unit and the calls that describe the well location within the unit and the number of wells in the same fields being applied for on the application. Refer to the instruction sheet for the Form W-1 for more details.
7. If applying for a UFT field and you are not applying for a Rule 40 exception, please enter the upper severance depth as 0 and the lower severance depth as 999999.
8. If the application being filed is for a well in a pooled unit, then the Form P-12 must be filled out and signed. A plat must accompany the application that supports the information provided on the P-12. (See Form P-12).
9. If applying for a permit where production sharing will occur, use Form P-16 page 2 (see attached Form P-16 Page 2).
10. If the application is for a well that is either a directional or horizontal profile, a Form W-1D (see attached Form W-1D) must be filed out for a directional well and a Form W-1H (see attached Form W-1H) for a horizontal. The plat that is filed to support this application must clearly show all information pertinent to the proposed wellbore.
11. The Groundwater Advisory Determination Form to comply with SWR 13 should be filed concurrently with the application to drill with the Groundwater Advisory Unit.

Form W-1 Permit to Drill Recomplete or Re-Enter:

Form W-1 Page 1:

Enter if Assigned: API No.: 42- _____ Drilling Permit No. _____	RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER	FORM W-1 (Rev. 12/20) SEE SWR 3.78 FOR FEE & SURCHARGE SCHEDULE
1. RRC Operator No.:	2. Operator Name (as shown on P-5 Organization Report):	3. Operator Address (include street, city, state, zip):
4. Lease Name:	5. Well No.:	
GENERAL INFORMATION		
6. Purpose of Filing (Mark ALL appropriate boxes): <input type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Include Form W-1D)		
7. Wellbore Profile (Mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack		
8. If either Directional or Horizontal is chosen under wellbore profile, answer the following questions:		
8a. Is the surface hole location off-lease? <input type="checkbox"/> Yes <input type="checkbox"/> No		
8b. If Horizontal profile is chosen, is the penetration point off-lease? <input type="checkbox"/> Yes <input type="checkbox"/> No		
8c. If answer to 8b is yes, choose the appropriate resolution: <input type="checkbox"/> Own Offset <input type="checkbox"/> Waiver <input type="checkbox"/> Notice <input type="checkbox"/> * Publication (If direct notice was not possible) <input type="checkbox"/> Hearing		
*Any request for publication must be accompanied by a due diligence letter explaining why you need to publish the notice instead of relying on direct notification.		
9. If Applicable: Horizontal Wellbore Completion Type: <input type="checkbox"/> PSA <input type="checkbox"/> Allocation <input type="checkbox"/> Stacked Lateral If Stacked Lateral, provide drilling permit number of record well _____		
10. True Vertical Depth:		11. Do you have the right to develop minerals under any right of way? <input type="checkbox"/> Yes <input type="checkbox"/> No
SURFACE LOCATION AND ACREAGE INFORMATION		
12. RRC District No:	13. County:	14. Surface Location: <input type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland waterway <input type="checkbox"/> Offshore
15. This well is to be located _____ miles in a _____ direction from _____, which is the nearest town in the county.		
For all Surface Locations provide either XY or Latitude/Longitude coordinates.		
DATUMS:		
<input type="checkbox"/> WGS 84	X or Northing: _____ (xxxxxx. xx)	Latitude: _____ (-xx. xxxxxx)
<input type="checkbox"/> NAD 27	Y or Easting: _____ (xxxxxx. xx)	Longitude: _____ (xx. xxxxxx)
<input type="checkbox"/> NAD 83	Zone: _____	
16. Section:	17. Block:	18. Survey:
		19. Abstract No:
		20. Distance to nearest lease line from surface location:
		21. Number of total acres in lease, pooled unit or unitized tract:
22. Additional Location Identifiers: Township: _____ League: _____ Labor: _____ Porcion: _____ Share: _____ Tract: _____ Lot: _____		
If the answer to 8a is yes, provide two perpendicular survey line calls instead of lease line calls.		
23. Lease Perpendiculars: _____ ft. from the _____ line and _____ ft. from the _____ line.		
24. Survey Perpendiculars: _____ ft. from the _____ line and _____ ft. from the _____ line.		

Form W-1D: Supplemental Directional Well Information

**Railroad Commission of Texas
Oil and Gas Division
Application for Permit to Drill, Recomplete or Re-Enter**

Form W-1D Rev. (12/20)
Supplemental Directional Well Information

1. RRC Operator No.		2. Operator Name (as shown on P5 Organization Report)			3. Lease Name		4. Well No.	
Bottom Hole Location Information								
5. Field as shown on Form W-1								
6. Section		7. Block		8. Survey		9. Abstract		10. County of BHL
11. Distance to nearest lease line from bottom hole location _____								
12. Bottom hole Lease Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								
13. Bottom hole Survey Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								
Bottom Hole Location Information								
5. Field as shown on Form W-1								
6. Section		7. Block		8. Survey		9. Abstract		10. County of BHL
11. Distance to nearest lease line from bottom hole location _____								
12. Bottom hole Lease Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								
13. Bottom hole Survey Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								
Bottom Hole Location Information								
5. Field as shown on Form W-1								
6. Section		7. Block		8. Survey		9. Abstract		10. County of BHL
11. Distance to nearest lease line from bottom hole location _____								
12. Bottom hole Lease Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								
13. Bottom hole Survey Line Perpendiculars #1 _____ ft from the _____ line and _____ ft from the _____ line.								

Form W-1H: Supplemental Horizontal Well Information

Railroad Commission of Texas
Oil and Gas Division
Application for Permit to Drill, Recomplete or Re-Enter

Form W-1H Rev. 12/20
Supplemental Horizontal Well Information

1. RRC Operator No.		2. Operator Name (as shown on P-5 Organization Report)		3. Lease Name		4. Well No.	
Lateral Drainhole Location Information							
5. Field as shown on Form W-1							
6. If the field identified in #5 has special horizontal dual lease line spacing provide the following: Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: _____				7. If the field identified in #5 is not approved for special lease line provisions provide the following: Nearest Perpendicular Distance from Any Take Point to a Lease Line: _____			
8. Section		9. Block		10. Survey		11. Abstract	
12. County of BHL							
11. Terminus Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
12. Terminus Survey Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
13. Last/Lower Perforation Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
14. First/Upper Perforation Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
15. *Penetration Point Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
1. RRC Operator No.		2. Operator Name (as shown on P-5 Organization Report)		3. Lease Name		4. Well No.	
Lateral Drainhole Location Information							
5. Field as shown on Form W-1							
6. If the field identified in #5 has special horizontal dual lease line spacing provide the following: Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: _____				7. If the field identified in #5 is not approved for special lease line provisions provide the following: Nearest Perpendicular Distance from Any Take Point to a Lease Line: _____			
8. Section		9. Block		10. Survey		11. Abstract	
12. County of BHL							
11. Terminus Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
12. Terminus Survey Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
13. Last/Lower Perforation Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
14. First/Upper Perforation Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							
15. *Penetration Point Lease Line Perpendiculars _____ ft. from the _____ line and _____ ft. from the _____ line.							

*If Penetration Point is offlease then instead of lease line perpendiculars, provide survey line perpendiculars.

Form W-1: Field Addendum Page

Railroad Commission of Texas
Oil and Gas Division
Application for Permit to Drill, Recomplete or Re-Enter

Form W-1
Field Addendum page

Rev. 09/2016

Lease Name:	Well No.:
-------------	-----------

FORM W-1 FIELD INFORMATION ADDENDUM List all fields of anticipated completion including Wildcat. List one zone per line.						
28. RRC District No.	29. Field No.	30. Field Name (exactly as shown in RRC records)	31. Well Type	32. Completion Depth	33. Distance to Nearest Well on this Lease in this Reservoir	34. No. of Wells on this Lease in this Reservoir

Revised July 2021

Form P-12: Certificate of Pooling Authority

RAILROAD COMMISSION OF TEXAS
 Oil and Gas Division
 PO Box 12967
 Austin, Texas 78711-2967
 www.rrc.texas.gov

CERTIFICATE OF POOLING AUTHORITY

P-12

Revised 05/2001

1. Field Name(s)	2. Lease/ID Number (if assigned)	3. RRC District Number
4. Operator Name	5. Operator P-5 Number	6. Well Number
7. Pooled Unit Name	8. API Number	9. Purpose of Filing <input type="checkbox"/> Drilling Permit (W-1) <input type="checkbox"/> Completion Report
10. County	11. Total acres in pooled unit	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Signature _____ Print Name _____

Title _____ E-mail (if available) _____ Date _____ Phone _____

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

1. When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
4. If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
6. Identify the drill site tract with an * to the left of the tract identifier.
7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

Page _____ of _____

Form P-16 Acreage Designation

Form P-16: Page One



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1
Rev. 09/2019

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:	

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

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNUTILIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)

A. Total Assigned Horiz. Acreage = _____ C. Total Assigned Acreage = _____
Total Remaining Horiz. Acreage = _____ Total Remaining Acreage = _____
B. Total Assigned Vert./Dir. Acreage = _____
Total Remaining Vert./Dir. Acreage = _____

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)

Attach Additional Pages As Needed. No additional pages Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature _____ Name and title (type or print) _____ Email _____
(Include email address only if you affirmatively consent to its public release)

Address _____ City, _____ State, _____ Zip Code _____ Tel: _____ Area Code _____ Number _____ Date: _____ mo. day yr.



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 2
Rev. 09/2019

Acree Designation

Filer is the owner or lessee of all or an undivided portion of the minerals under each tract listed below and has the legal right to drill on each tract traversed by the well that will have perforations or other take points open in the interval of the applied-for field(s). All tracts listed will actually be traversed by the wellbore or the filer has pooling authority or other contractual authority, such as a production sharing agreement, authorizing inclusion of the non-drill site tract in the acreage assigned to the well.

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 =					

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 VI. LISTING OF ALL WELLS IN THE APPLIED FOR REGULATORY FIELD AS LISTED IN SECTION II, AND ALLOCATING ACREAGE FROM ANY OR ALL TRACTS LISTED IN SECTION V BY FILER														
RRC ID No. or Lease No.	Lease Name	API No.	Well No.	Profile	SWR 38 Except. [Y/N]	*Total Acres Assigned	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From	Acres From
A. Total Assigned Acreage =														
B. Total Assigned Horiz. Acreage =														
C. Total Assigned Vert./Dir. Acreage =														

*A revised P-16 is required if increasing the proration acreage on an existing Allocation or PSA well utilizing acreage from a regulatory lease or undeveloped tract not listed in Section V. (refer to instructions)



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Attachment

Page 1A

Rev. 09/2019

Acreege 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.

Table with 8 columns: RRC ID No. or Lease No., Well No., Profile, Lease Name, API No., Acres Assigned, SWR 38 Except. (Y/N), Operator Name and Operator No. (if different from filing operator). Includes summary rows for Total Assigned and Total Remaining acreage.

Links to Forms in the RRC Online Forms Library:

Holding the CTRL key and clicking on any hyperlink in blue will take you to the appropriate page within the RRC website.

[RRC Online Forms Library](#)

Form W-1:

- [FormW-1](#)**
- [Form W-1D](#)**
- [Form W-1H](#)**
- [Form W-1 Field Addendum](#)**
- [Form W-1A](#)**

Form W-1 Instructions:

- [Form W-1 Instructions](#)**

Form P-12:

- [Form P-12](#)**
- [Form P-12 Fillable PDF](#)**

Form P-16:

- [Form P-16 \(pages 1, 2, 1A, and 2A\)](#)**
- [Form P-16 Page 1A additional copy](#)** (if you need extra room for Section V)
- [Form P-16 Page 2A additional copy](#)** (if you need extra room for Section VI)

** An excel version of the above P-16 links can be downloaded by going to the RRC Oil and Gas Forms library, scrolling down to find the form P-16, and clicking on the Excel icon. A link to the RRC Online Forms Library is provided at the top of this page. The excel version of the P-16 contains auto-calculation features and is the suggested version of this form to use. There is not a fillable PDF version of the Form P-16.

Form P-16 Instructions:

- [Form P-16 Instructions for use with a Drilling Permit application \(Form W-1\)](#)**

FAQs: Drilling a Well

If you have more specific questions concerning filing electronically, go to this link:
<https://www.rrc.texas.gov/about-us/faqs/oil-gas-faqs/drilling-permit-application-faqs/>
You will find an extensive FAQ sheet concerning electronic filing.

1. How close can I drill to an existing residential structure?

- a. The Railroad Commission does not regulate how close a gas well can be drilled to a residential property. However, for a well within the city limits, the city may enact ordinances regarding the proximity to dwellings or other structures. In addition, there is an old law in the Municipal Code, Section 253.005(c), which provides: "A well may not be drilled in the thickly settled part of the municipality or within 200 feet of a private residence." Many mineral leases also include clauses that define how close a well can be drilled to existing structures. Refer to SWR 21 for rules governing the placement of flow tanks located on your lease.

2. What is an API Number?

- a. This is a unique, permanent, numeric identifier assigned for identification purposes of a wellbore. It consists of 10 digits; the first 2 digits are the state code, the next 3 digits are the county code, and the last 5 digits are the unique number assigned to identify the wellbore within a county. Any existing wellbore should have an API number assigned by the RRC or by the companies appointed by the American Petroleum Institute to assign these numbers to wells drilled prior to 1966. If you need help researching an old API number, you may contact the RRC GIS Mapping Dept. at (512) 463-6851.

3. How can I find out what fields may be in a specific area?

- a. If you know the county and abstract number of a particular area you can utilize the Railroad Commission's Public GIS Viewer <https://gis.rrc.texas.gov/GISViewer/> to navigate to the area. Once the map has been brought up you can use the map tools to identify and pull information on wells in the area such as the field it is completed in. If you need further assistance, contact the RRC GIS Mapping Dept. at (512) 463-6851.

4. How many fields can be applied for on one application?

- a. There is no limit. List every field that the well may be completed in. No additional fees are required as the application is for one wellbore only. One important reminder though you must remember that you must provide the information asked for on the Form W-1 for questions 31 and 32 for each field that is added to the application.

5. Should I always add the field name of Wildcat to the Form W-1 so that I will not have to re-file the Form W-1 later, in the event of a new field discovery?

- a. Yes. List all fields and reservoirs that the proposed wellbore could encounter. The field Wildcat can also be listed. (Keep in mind that all fields listed are subject to specific field or statewide rules).

6. I know the field and reservoirs that I intend to drill, but I am not sure of the current rules. How can I obtain them?

- a. To find what the current rules for a field are, call up the Oil & Gas Field Information query on the RRC website using the following link:

<http://webapps.rrc.texas.gov/DP/initializeFieldSearchAction.do>

Enter the required information into the field query and then choose the field you wish to know about.

7. How many characters are allowed in the Lease Name box?

- a. You are allowed 32 characters. If the name is longer than that, you can abbreviate if needed, but are encouraged to adhere to the allotted characters set up by the RRC.

8. Is there a certain way the system accepts well numbers?

- a. Yes. The system allows the well number to be formatted a certain way. You are allowed six spaces, the first space can be either Alpha or Numeric, second, third and fourth spaces are Numeric only and the fifth & six spaces are Alpha only. If there is a dash anywhere in the numeric spaces, the dash will be changed to a zero.

9. On the Form W-1 wherever a depth is asked for should I put the Total Vertical Depth or the Measured Depth?

- a. For any depth asked for on the W-1 you should be using the Total Vertical Depth (TVD). If you are re-completing a well and plugging back, then the (TVD) at which the Cast Iron Bridge Plug (CIBP) was set will be the new effective depth of the well. If you have any questions call the Drilling Permit Dept. at (512) 463-6751.

10. Items 31 and 32 on the Form W-1 ask for the distance to the nearest well, and for the number of wells, on this lease and in this reservoir. What should I put on the W-1?

- a. The nearest well (Item 31) will be that well which is nearest and is completed, permitted, or applied for on the lease you are permitting in and the field you are applying for. This information must be provided for each field that is on the application. The number of wells (Item 32) will be any well that has been completed, permitted, or applied for on the lease in the field you are applying for. This information must be provided for every field you are applying for.
- b. If your lease or developmental acreage contains depth severed intervals, please refer to the SWR 37, 38, and 40 FAQ section on page 41.

11. Based on revision to SWR 86, all fields can have off-lease penetration points in any field a horizontal well is applied for. How do I apply for a horizontal wellbore in which I want to be able to penetrate the formation I wish to produce from, on a tract outside my lease/unit?

- a. When applying for an off-lease penetration point, you must clearly indicate on your plat who the operator, lessee, or unleased mineral owner is for the location of the penetration point. Next, on your application, you will answer "Yes," to the question; "Is my penetration point off-lease?" On the field details page of the W-1 application, you will have to tell us how you will resolve this request. The resolutions are similar to those of a SWR 37. If you are your own offset, or have obtained signed waivers, you can submit the application immediately. If you need to send a notice to any affected party, you must wait 21 days from the date that the last notice is delivered, before you submit your application. (This is the date that the recipient receives the notice, not the date that it is created, or placed in the mail). If you are unable to locate any affected party, then you will have to publish a notice in a local paper, for four consecutive weeks. You will have to include the notice and publisher's affidavit, showing the dates that the publication was run, when the W-1 application is submitted. If you receive a protest, and you cannot resolve the matters, you can request a hearing when you submit your W-1 application. Remember, that all notifications, and/or publications, must first be completed before you submit your application. If you submit your application prior to any notification or publication having run its course, you will be required to withdraw the application if you receive a protest and you wish to amend the filing.

- b. When the penetration point is located outside of the lease, pooled unit, or Allocation/PSA developmental acreage boundary, it is considered off-lease. If the penetration point is at a location that is on lease, and then the wellbore leaves the lease, pooled unit, or Allocation/PSA developmental boundary before coming back inside the boundary to establish production, it will be considered off-lease (this is a back build scenario). If the well leaves the lease boundary for back build purposes, and then the penetration point occurs after the well has re-entered the lease, pooled unit, or Allocation/PSA developmental boundary, then it is not considered off-lease.

12. How do I permit a horizontal well?

- a. The first thing that must be identified is if there are any special field rules approved for your field(s). If special field rules exist, there will be specific lease line spacing requirements approved for the field. These rules will be what are termed as, "Dual Lease Line Spacing." Under these special rules, there will be a specific distance along the axis of the wellbore, from the first or last take point to the lease line, that the well must meet (this is also referred to as, "heel and toe" spacing), as well as a specific perpendicular distance from the wellbore to any lease line. You must remember that the online system will not be able to determine if a SWR 37 Exception is required in these situations. This is what is considered, "manual review." You must evaluate your wellbore profile, based on the field rules for your applied for field(s), and determine if a spacing exception is required. If an exception is required, you will have to manually flag the application for the exception and provide a resolution for the exception. If your field does not have special field rules, then your well (from the first take point, through and including the last take point), must meet the minimum lease line distance as stated in your field rules. Any horizontal well that is applied for, must include a Form P-16 as part of the application.

13. Can I change the name of my wells on a lease/pooled unit once production has been established on it?

- a. Once a lease/pooled unit has established production on it, the name for all wells that are producing out of the same field on the lease must have the same lease/unit name. If you establish production in a different regulatory field, then the name that the wells are carried under can be changed at that time. If you have questions concerning this refer to SWR 40:

[Texas Administrative Code, Title 16, Part 1, Chapter 3, Rule 40](#)

SWR 37, 38, 39, and 40

**I have filed a W-1 application and I need an exception to either SWR 37, 38, 39, or 40.
What do these rules mean, and what do I need to file?**

SWR 37

Minimum Lease Line Spacing Exception:

- Each field being applied for, has rules that govern how close the well can be drilled to an external lease line boundary, or to a tract within a pooled unit that is not 100% leased.
- The wellbore profile is important in determining if an exception is required.
 - (i) On a vertical well, an exception will be determined by the distance of the well to the nearest lease line, or the distance to the nearest tract with unleased acreage in a pooled unit.
 - (ii) On a standard horizontal well, an exception will be determined by the distance to the nearest lease line or the distance to the nearest tract with unleased acreage in a pooled unit, from the first take point, through and including, the last take point on the proposed horizontal wellbore.
 - (iii) On a horizontal wellbore proposed in a field that has approved dual lease line spacing language, an exception will be determined by evaluating two separate spacing distances. There will be an approved heel and toe distance from a lease line that must be met, as well as a perpendicular distance to a lease line from the first take point through and including the last take point, on the proposed horizontal wellbore.
- For any field that is in violation of the minimum lease line spacing requirements an exception will need to be applied for.
- The SWR exception fee will be required, along with any other appropriate application fees.
- The plat submitted with the application must be certified by a Registered Professional Land Surveyor (RPLS), or by someone who represents the company and can attest to the validity of the information presented on the plat.
- The plat must show all affected parties for tracts which are closer to the well than either one-half of the prescribed minimum between well spacing distance, or the minimum leasing line spacing distance; whichever is greater. These parties include:
 - (i) The designated operator.
 - (ii) All lessees of record for tracts that have no designated operator.
 - (iii) All owners of record of un-leased mineral interests.
- For any tract that is affected, which is not controlled by the filer, one (or more) of the following must be filed:
 - (i) A list of the mailing addresses of all affected parties. A 21-day notice will be sent to those parties, giving them the opportunity to protest the issuance of an exception to SWR 37.
 - (ii) Signed waivers from the affected parties.
 - (iii) If either (i) or (ii) cannot be provided, then the RRC will provide you with a set of instructions and a notice, that must be published for 4 consecutive weeks in a paper of general circulation that covers the area where the well is being proposed.

- If no protests have been received by the end of the required notification or publication time period, then the application will be approved for the exception to SWR 37.

Minimum Between Well Spacing Exception:

- Each field being applied for has rules that govern how close the well can be drilled to another well located on the same lease, and in the same field that is being applied for.
- The wellbore profile is important in determining if an exception is required.
 - (i) On a vertical/directional well, an exception will be determined by the distance of the Bottom Hole location of the well, to the nearest well in the applied for field.
 - (ii) On a horizontal well, an exception will be determined by the distance to the nearest well in the applied for field, from the first take point, through and including, the last take point on the proposed horizontal wellbore.
- For any field that is in violation of the minimum between well spacing requirements an exception will need to be applied for.
- The SWR exception fee will be required, along with any other appropriate application fees.
- The plat submitted with the application must be certified by a Registered Professional Land Surveyor (RPLS), or by someone who represents the company and can attest to the validity of the information presented on the plat.
- The plat must show all affected parties for each adjacent tract to your lease/pooled unit, and in each tract which is closer to the well than either one-half of the prescribed minimum between well spacing distance, or the minimum leasing line spacing distance; whichever is greater. These parties can include:
 - (i) The designated operator.
 - (ii) All lessees of record for tracts that have no designated operator.
 - (iii) All owners of record of un-leased mineral interests.
- For any tract that is affected, which is not controlled by the filer, one (or more) of the following must be filed:
 - (i) A list of the mailing addresses of all affected parties; a 21-day notice will be sent to those parties giving them the opportunity to protest the issuance of an exception to SWR 37.
 - (ii) Signed waivers from the affected parties.
 - (iii) If either (i) or (ii) cannot be provided, then the RRC will provide you with a set of instructions and a notice, that must be published for 4 consecutive weeks in a paper of general circulation that covers the area where the well is being proposed.
- If no protests have been received by the end of the required notification or publication time period, then the application will be approved for the exception to SWR 37.

For further information regarding SWR 37, use the following link and view Rule 3.37:

[Texas Administrative Code, Title 16, Part 1, Chapter 3, Rule 3.37](#)

SWR 38

Well Densities:

- Each field has a required minimum acreage needed to develop a well.
- The type of field you are applying for can determine if an exception is required.
 - (i) Fields classified as Unconventional Fracture Treated (UFT) allow an operator to develop both horizontal and vertical/directional wells independently from each other, because by rule, the same acreage can be assigned to both horizontal and vertical/directional wells. An exception will be needed if there is not sufficient acreage to assign to the proposed well based on its profile (horizontal or vertical).
 - (ii) If your field is not a UFT field and has had special rules approved that allow for the separate acreage assignment between vertical/directional and horizontal wells, an exception will be needed if there is not sufficient acreage to assign to the proposed well based on its profile (horizontal or vertical/directional).
- If there is insufficient acreage within your lease/pooled unit or Allocation/PSA developmental acreage to develop the well, an exception to SWR 38 will be needed.
- The SWR exception fee, or W-1A fee, will be required, along with any other appropriate application fees.
- If this is the first well on the lease, you may submit a filled-out Form W-1A (See attached Form W-1A) that gives the date that the lease or drill site tract of a pooled unit or unitized tract, took its present size and shape. If the date the tract took its present size and shape is prior to the most current field rules governing the field being applied for, then the exception to SWR 38 will not be needed. If it took its size and shape after the current field rules, then the exception will be needed, and the following must be submitted.
- If you have surplus acreage, which is less acreage than the smallest amount established for standard or optional drilling units, available in your lease/pooled unit, you may be able to use a W-1A to drill and assign that acreage without getting an exception to SWR 38. In order to develop to final density, an application to drill a well for oil, gas, or geothermal resource on a drilling unit composed of surplus acreage (commonly referred to as the "Tolerance Well"), may be granted as regular, when the operator seeking such permit certifies to The Commission in a prescribed form, the necessary data to show that such permit is needed to develop a lease, pooled unit, or unitized tract to final density, and only in the following circumstances:
 - (i) When the amount of surplus acreage equals or exceeds the maximum amount provided for tolerance acreage by special or county regular rules for the field, provided that this paragraph does not apply for a lease, pooled unit, or unitized tract that is completely developed with optional units and the special or county regular rules for the field do not have tolerance provisions expressly made applicable to optional proration units; or
 - (ii) If the special or county regular rules for the field do not have a tolerance provision expressly made applicable to optional proration units, when the amount of surplus acreage equals or exceeds one-half of the smallest amount established for an optional drilling unit; or
 - (iii) If the applicable rules for the field do not have a tolerance provision for the standard drilling or proration unit, when the amount of surplus acreage equals or exceeds one-half the amount prescribed for the standard unit.
- The plat submitted with the application must be certified by a Registered Professional Land Surveyor (RPLS), or by someone who represents the company and can attest to the validity of the information presented on the plat.

- The plat must show all affected parties for each adjacent tract to your lease/pooled unit, and each tract which is closer to the well than either one-half the prescribed minimum between-well spacing distance, or the minimum lease line spacing distance, whichever is greater. (For fields that have been classified as UFT or have had special rules approved concerning SWR 38 notification, a reduced area of notification may be applicable).
- These parties can include:
 - (i) The designated operator.
 - (ii) All lessees of record for tracts that have no designated operator.
 - (iii) All owners of record of un-leased mineral interests.
- For any tract that is affected, which is not controlled by the filer, one or more of the following must be filed:
 - (i) A list of the mailing addresses of all affected parties. A 21-day notice will be sent to those parties giving them the opportunity to protest the issuance of an exception to SWR 38.
 - (ii) Signed waivers from the affected parties.
 - (iii) If either (i) or (ii) cannot be provided, then the RRC will provide you with a set of instructions and a notice, that must be published for 4 consecutive weeks in a paper of general circulation that covers the area where the well is being proposed.
- In addition to the W-1 application, there are certain requirements that must be attached for the RRC technical examiners to review before the exception can be granted (See attached SWR 38 Data). Certain fields classified as UFT, or that have had special rules approved, may not require the submission of the data summarized on the attached SWR 38 Data sheet.
- If no protests were received, and the technical examiners have reviewed your submitted data and agree with your calculations, then the permit will be approved.
- If the data does not support granting an exception to SWR38, the application may be denied by the RRC technical examiners.

For further information regarding SWR 38, use the following link:

[Texas Administrative Code, Title 16, Part 1, Chapter 3, Rule 3.38](#)

Form W-1A: Substandard Acreage Certification

**SUBSTANDARD ACREAGE
 CERTIFICATION**
 Revised 05/2001

W-1A

1. Operator Name	2. Operator P-5 Number	3. RRC District Number
4. Lease, Pooled Unit or Unitized Tract Name	5. Lease/D Number (if assigned)	6. Purpose of Filing <input type="radio"/> Only Well <input type="radio"/> Surplus Acreage <input type="radio"/> Other Docket#
7. Total Acres in Lease, Pooled Unit or Unitized Tract	8. Well Number	
9. County	10. API Number	
11. Field 1	Disc Date	Rules Eff. Date Rules Exp. Date
12. Field 2	Disc Date	Rules Eff. Date Rules Exp. Date
13. Field 3	Disc Date	Rules Eff. Date Rules Exp. Date

CERTIFICATION FOR AN OPERATOR SEEKING A PERMIT ON A LEASE, POOLED UNIT OR UNITIZED TRACT WHICH CONTAINS SUBSTANDARD ACREAGE AS DEFINED BY EITHER STATEWIDE RULE 38 OR BY SPECIAL FIELD RULES.

A. This lease, pooled unit or unitized tract was established as a separate tract in its present size and shape on _____ and has remained as such since that date.
 (mmddyy)

- B. The ownership in this lease, unitized tract or the drill site tract of a pooled unit has not:
- I) been the same as or common to the ownership of any adjoining tract at any time after the date set forth in paragraph A; and,
 - II) been unitized or pooled with any adjoining tract and accepted as a single tract for any Commission approved development or allowable purpose.

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Substandard Acreage Certification is true, correct, and complete to the best of my knowledge.

Signature _____ Print Name _____
 Title _____ E-mail (if available) _____ Date _____ Phone _____

INSTRUCTIONS - Reference: Statewide Rules 37(9) and 38(9)

- File this form as an attachment to the Form W-1 when the subject acreage is substandard for a permit to drill, deepen, plugback, or reenter in any or all applied for fields if the property took its present size and shape prior to the attachment of applicable Commission density regulations. If the described property took its present size and shape subsequent to the adoption of those regulations, a SWR 38 exception may be required.
- Provide the date the lease or unitized tract was formed in paragraph A above.

SWR 38 Data

Railroad Commission of Texas Oil and Gas Division – Permitting Services

GEOLOGICAL AND ENGINEERING DATA REQUIRED FOR STATEWIDE RULE 38 ADMINISTRATIVE EXCEPTIONS

Applicants for exceptions to Statewide Rule 38 density provisions are required to submit the following engineering and geological information for each applied-for field in support of the request when seeking administrative approval.

FOR ALL APPLICATIONS:

1. Area map showing mineral ownership of offsetting wells, offsetting leases, and unleased tracts.
2. Cross sections(s), indicating continuity or discontinuity of reservoir.
3. Structure map, and/or isopach map, indicating limits of reservoir (if relevant).
4. Recoverable reserve calculations for subject lease, pooled unit, or unitized tract, with supporting data.
5. Cumulative production from wells on subject lease, pooled unit, or unitized tract, that have ever produced from each applied for field.
6. Estimate of remaining recoverable reserves from existing wells on subject lease, pooled unit, or unitized tract, with supporting data.

WHEN THE REQUESTED EXCEPTION IS TO PREVENT WASTE:

7. Items 1 through 6, as listed above.
8. Estimate of remaining recoverable reserves from offset wells affecting subject lease, pooled unit, or unitized tract, with supporting data.
9. Cumulative production from offset wells affecting subject lease, pooled unit, or unitized tract.
10. Amount of recoverable reserves which will not be recovered by wells on, or affecting, the subject lease, pooled unit, or unitized tract.

Other relevant information may be required to evaluate the request. If any of the above required data cannot be submitted, the applicant must include a written explanation.

SWR 39

Proration and Drilling Units: Contiguity of Acreage and Exception Thereto

- Proration and Drilling Units established for individual wells drilled, or to be drilled, shall consist of acreage which is contiguous.
- A lease need not be made up of contiguous acreage.
- If a lease is non-contiguous, a plat may be requested to show the acreage of each non-contiguous tract, as well as an acreage designation list for wells completed in each tract to prove compliance to this rule.
- An exception to the contiguous acreage provision may be granted at the operator's request if acreage that is to be included in the proration or drilling unit is separated by a long narrow Right-of-Way tract (ROW).
- If there is insufficient contiguous acreage that satisfies the acreage requirements on the fields being applied for, and the acreage is not separated by a long narrow right-of-way, then the applicant must request a hearing to gain an exception to SWR 39. Contact the Drilling Permit Department at 512-463-6751, if you have any questions concerning requesting a hearing.

For further information regarding SWR 39, use the following link:

[Texas Administrative Code, Title 16, Part 1, Chapter 3, Rule 3.39](#)

SWR 40

Assignment of Acreage to Pooled Development, and Proration Units

- An operator may pool acreage in accordance with appropriate contractual authority and applicable field rules, to create a drilling unit or proration unit, by filing a certified plat delineating the pooled unit and a Certificate of Pooling Authority (Form P-12).
- A certified plat that shows the outline and identifier of each tract that corresponds to the tract identifier supplied on the Form P-12.
- For each tract listed on the Form P-12, the operator shall state the number of acres contained within the tract, and this should be supported by information provided on the certified plat. If an individual tract contains a non-pooled and/or un-leased interest, the Form P-12 must be marked to reflect this.
- The operator shall state on the Form P-12, the total number of acres in the pooled unit which equals the sum of all acres in each individual tract that is fully or partially leased. **If there is a tract within the pooled unit where no interest is leased, then the acreage of that tract cannot be used in calculating the total acreage of unit.** The certified plat must support the total acreage.
- The non-pooled undivided interest holder retains his development rights in his basic tract, and should such rights be exercised, authority to develop the basic tract be approved by the Commission, and a well completed as a producer thereon, then the entire interest in the basic tract must be allocated to said well, and any interest insofar as it is pooled with another tract, must be assigned to the well on the basic tract for allocation purposes. **Splitting of undivided interest in a basic tract between two or more wells on two or more tracts is not acceptable.**
- Acreage assigned to a well for drilling and development, or for allocation of allowable, shall not be assigned to any other well or wells projected to or completed in the same reservoir; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.
- For every proposed horizontal wellbore, or any well applied for in a field classified as UFT (Unconventional Fracture Treated), a Form P-16 must be submitted with the drilling permit and completion report.
- As of March 3rd, 2020, all UFT fields will now require the filer provide information on any existing horizontal depth severance that exists. If your lease or developmental acreage contains a horizontal division of ownership in the mineral interests, then please enter the Upper Severance value as the top of your ownership interval and enter the Lower Severance value as the bottom of your ownership interval. Please see the FAQ section below for more details.
- Regarding the use of the Spraberry (Trend Area) R40 EXC field, as of March 3rd, 2020, the approved amendment to SWR 40 has superseded the use of this field for new lease creation. The Spraberry (Trend Area) R40 EXC will no longer be used in the creation of a new lease id. It will only be used if a lease or pooled unit is already established on schedule under this field; or if an Allocation or PSA developmental setup has wells already established on schedule under this field.

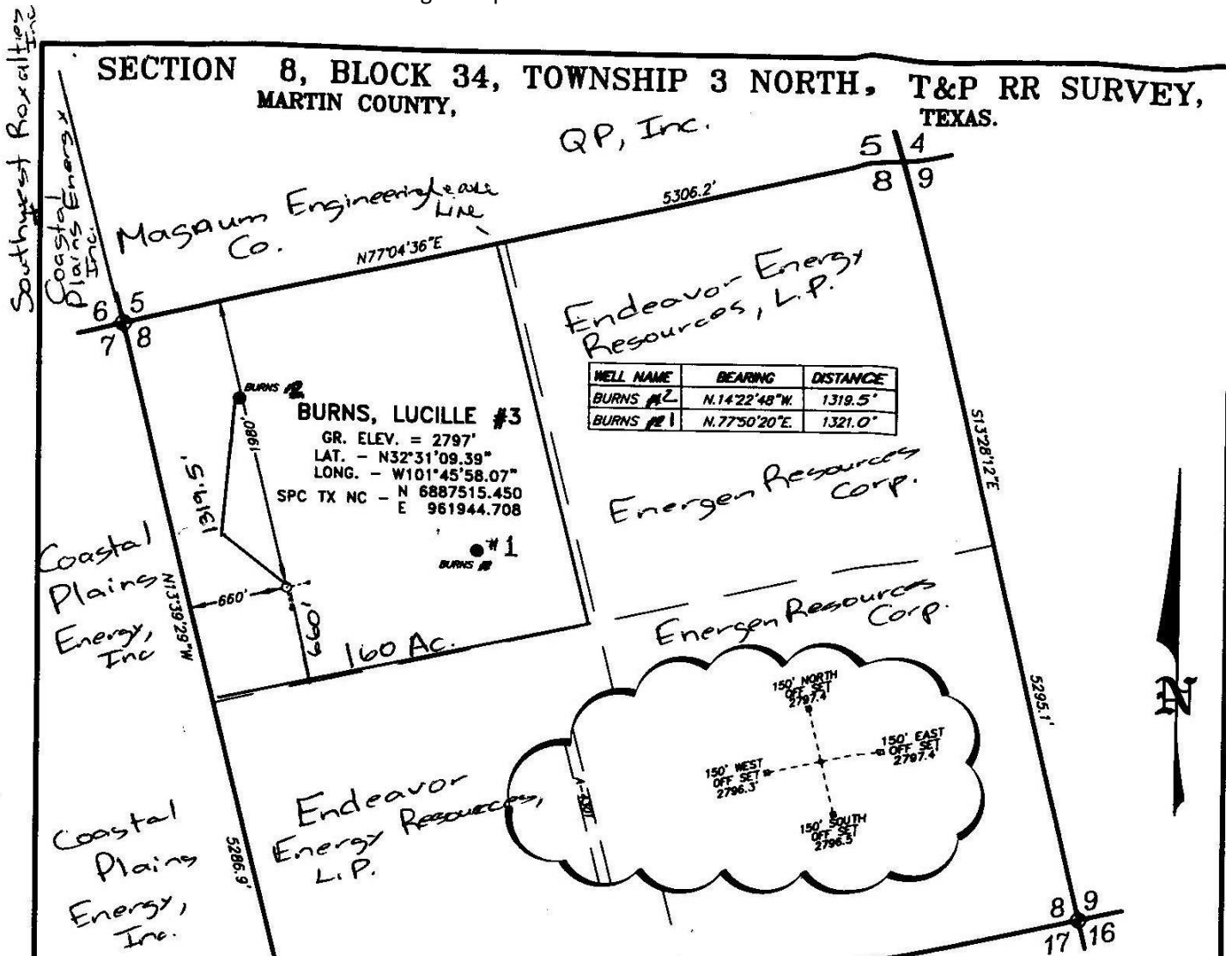
For further information regarding SWR 40, use the following link:

[Texas Administrative Code, Title 16, Part 1, Chapter 3, Rule 3.40](#)

SWR 37,38, and 40 FAQs

If you still have any remaining questions concerning the SWR exceptions that have just been covered, then the following additional FAQ's may answer those questions. If not, then you may call the Drilling Permits Department at 512-463-6751 and ask to speak to a staff member who processes applications involving these SWR exceptions.

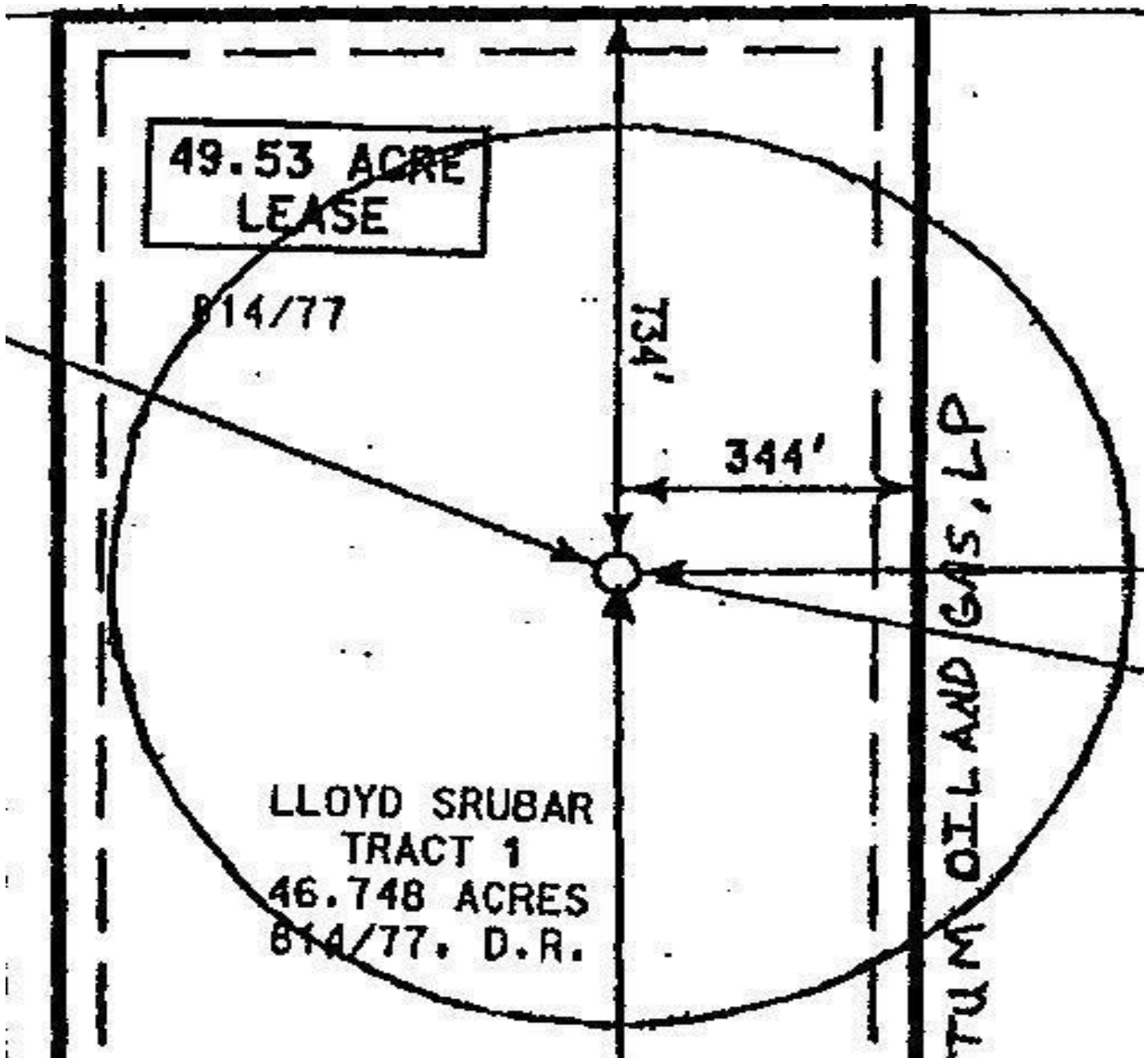
1. How do I figure out who I need to notice when seeking an exception to SWR 37 Between Well or SWR 38?
 - a. If you are seeking an exception to SWR 38, or a SWR 37 Between Well spacing exception, then you are required to notice all affected mineral offsets surrounding your lease acreage. This includes all sides and corners. See the following example:



2. How do I figure out who I need to notice, when seeking an exception to SWR 37 Lease Line Exception for a Vertical/Directional Well?

- a. If you are seeking an exception to a SWR 37 lease line exception, then you need to notice any mineral offset that is located within the **greater** of the following two distances:
 - (i) The lease line distance as stated in the field rules.
 - (ii) Half of the between well distance as stated in the field rules.
 - If the between well distance is zero, you will refer to the lease line spacing.

Whichever distance is greatest, you should draw a radius around the well using that distance. Wherever the radius circle falls out of your lease, or overlaps un-leased or partially un-leased tracts, you will show those mineral offsets on your plat. See the following example:



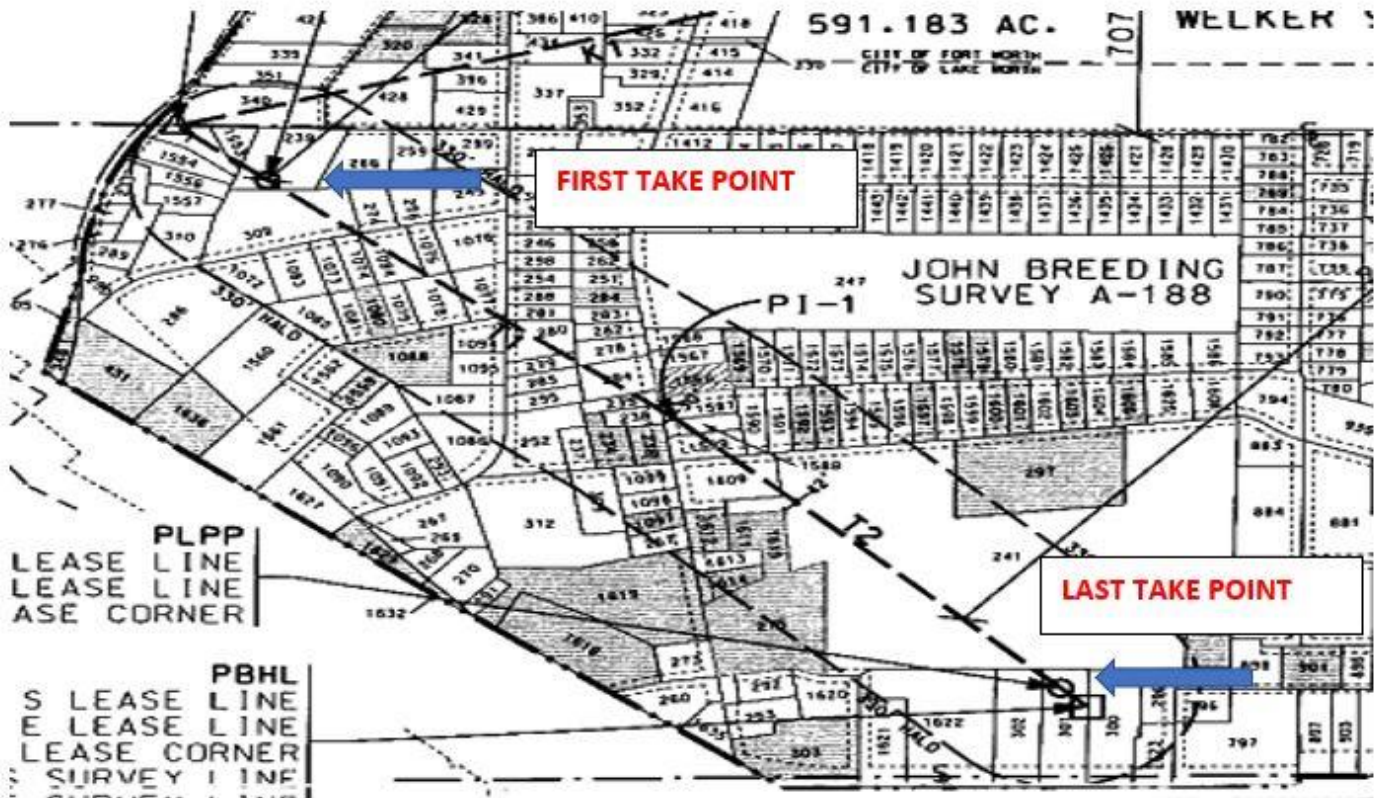
3. How do I figure out who I need to notice, when seeking an exception to SWR 37 Lease Line Exception for a Horizontal Well in a regulatory field that does not have special horizontal rules?

a. If you are seeking an exception to a SWR 37 lease line exception for a horizontal well in a regulatory field that does not have special horizontal rules, then you need to notice any mineral offset that is located within the **greater** of the following two distances:

(i) The lease line distance as stated in the field rules.

- (ii) Half of the between well distance as stated in the field rules.
 - If the between well distance is zero, you will refer to the lease line spacing.

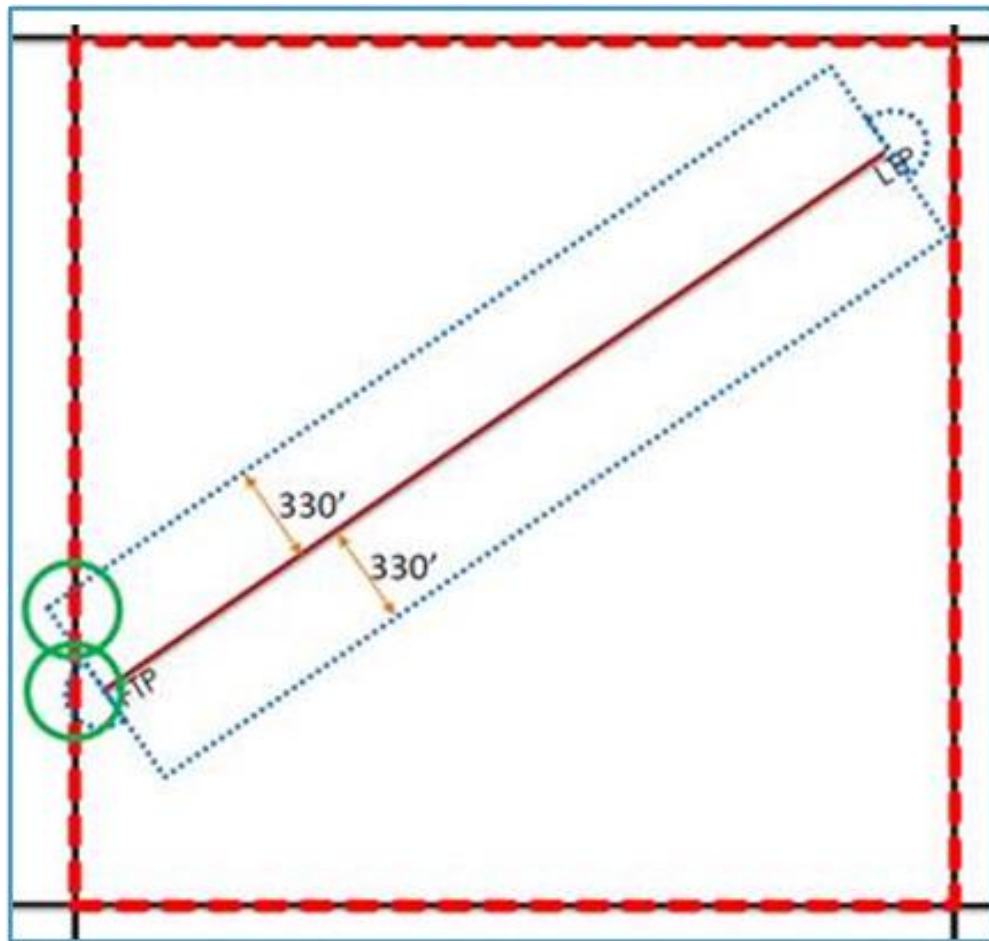
Whichever distance is greatest, you should draw a radius around the producing section of the wellbore using that distance. The producing section is defined as the First Take Point, through and including the Last Take Point. Non-producing sections of the wellbore will not be included in the notification radius. Wherever the radius falls out of your lease, or overlaps un-leased or partially un-leased tracts, you will show those mineral offsets on your plat. See the following example:



4. How do I figure out who I need to notice, when seeking an exception to SWR 37 Lease Line Exception for a Horizontal Well in a regulatory field that contains special horizontal rules?

- a. If you are seeking an exception to a SWR 37 lease line exception for a horizontal well in a regulatory field that has special horizontal rules, then you need to notice any mineral offset that is located within the **greater** of the following:
 - (i) The lease line distance as stated in the field rules.
 - The heel/toe distance and the perpendicular distance will both be included when determining the notification radius.
 - (ii) Half of the between well distance as stated in the field rules.
 - If the between well distance is zero, you will refer to the lease line spacing.

Whichever distance is greatest, you should draw a radius around the producing section of the wellbore using that distance. The producing section is defined as the First Take Point, through and including the Last Take Point. Non-producing sections of the wellbore will not be included in the notification radius. Wherever the radius falls out of your lease, or overlaps un-leased or partially un-leased tracts, you will show those mineral offsets on your plat. See the following example:



5. What is meant by mineral offset?

- a) When the term “mineral offset” is mentioned in Statewide Rule language, it is referring to the individuals who own or control the development of the minerals on any given tract that is affected. Those individuals may be any of the following:
 - (i) The designated operator.
 - (ii) All lessees of record for tracts that have no designated operator.
 - (iii) All owners of record of un-leased mineral interests.

In order to find this information, you may be required to do title work at the county office where the minerals are located, to find out who the owners of record are on tracts that are un-leased.

6. What is a waiver and how long is a waiver good for?

- a) There is no official form that the RRC provides for use in acquiring a waiver. The letter that is generated by the operator, requesting the waiver, shall provide specific information pertaining to the application. The waiver letter should be addressed to the appropriate operator and have a place where the representative can sign and date the waiver if they choose to do so. In the body of the waiver, you should explain what type of Exception, Field Rule, or Statewide Rule you are applying for, and the basic information of your application, such as Location, Regulatory Field, and the Exception or Rule Provision the waiver is needed for. The RRC will only accept a waiver that was signed and dated within 6 months of the filing date of the original W1 application which carries the SWR exception that the waiver was initially granted for, unless the well has been spud. If the well has been spud, and the permit is being amended, the original waiver will be accepted. If any changes are being made to a well permit that has been spud, an updated waiver may be required. (See the following image for an example of an acceptable waiver for a SWR 37 or 38 Exception).

<p>< APPLICANT COMPANY LETTERHEAD ></p> <p><NAME OF OFFSET> <ADDRESS OF OFFSET></p> <p>RE:< TYPE OF EXCEPTION AND NAME OF WELL SEEKING EXCEPTION ></p> <p>BODY OF LETTER SHOULD INCLUDE: A) WAIVER STATEMENT. B) TYPE OF OPERATION. C) FIELD RULES. D) WHY THE EXCEPTION IS NEEDED. E) LOCATION OF WELL (IF COPY OF PLAT IS NOT PROVIDED).</p> <p>SIGNATURE OF REPRESENTATIVE OF APPLICANT.</p> <p>AREA FOR OFFSET TO SIGN AND DATE.</p>

7. How can I claim an “unaffected” resolution to my SWR exception?

- (i) For a SWR 37 Lease Line exception, in order to claim an “unaffected” resolution, the affected tracts would need to be in another state (i.e., Oklahoma, New Mexico or Louisiana), or another country (i.e., Mexico).
- (ii) For a SWR 37 Between Well and/or SWR 38 exception, an “unaffected” resolution, for geological reasons, would require you to provide copies of logs, structure maps, and any other supporting information that would allow for RRC staff Geologists to make a determination on the “unaffected” resolution.
- (iii) If applying for an “unaffected” resolution, due to a large or irregularly shaped lease; provide a plat with a one-mile radius drawn around the well location, and all offsets clearly labeled on the plat. Along with this plat, provide a letter describing who the offsets are and why it is being requested that they are being deemed “unaffected”.

A note must accompany the application requesting the Commission approve the request for unaffected status based on one of the 3 scenarios above.

8. Is there any way to resolve a SWR exception without having to pay the exception fee or go through any of the resolutions for that exception?

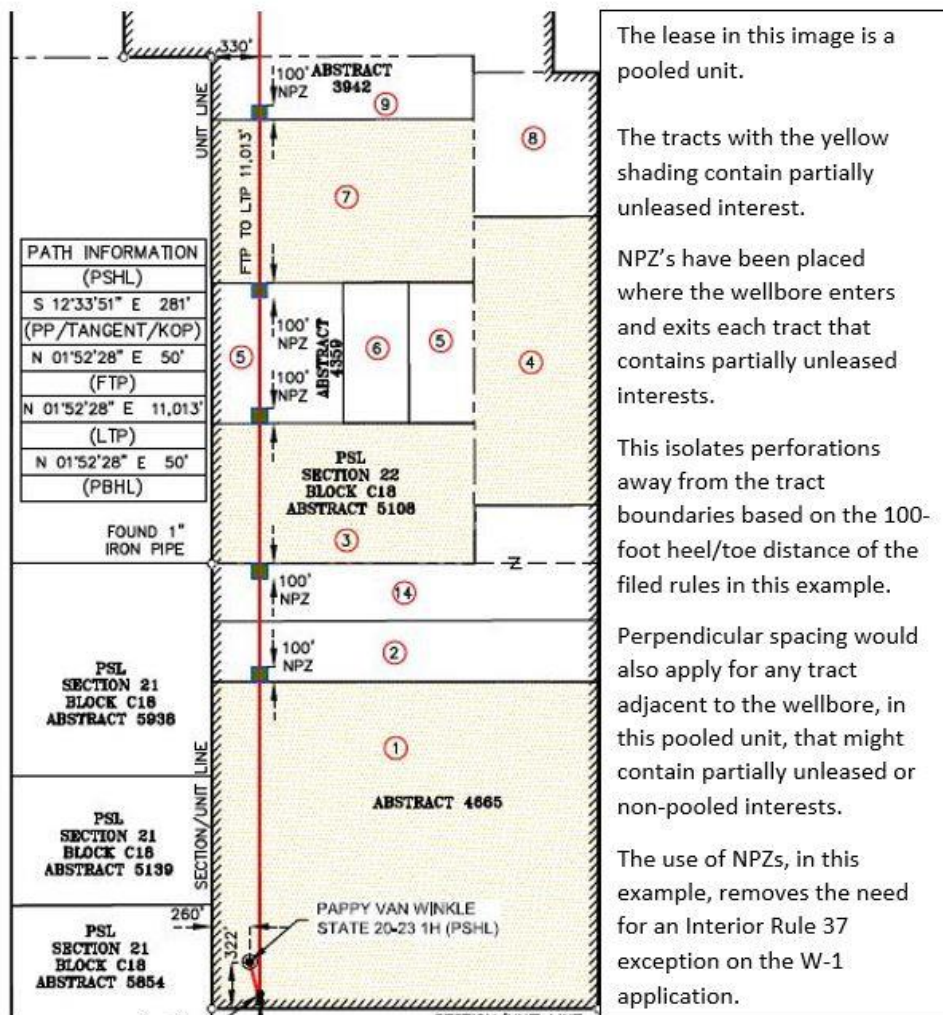
- a) There are ways you can resolve a SWR exception that do not require the fee or resolution material:
 - (i) For SWR 37 Between Well exceptions; if you have a large lease/pooled unit, you may go to hearing to get an Entity for Density (EFD) approval on the lease/pooled unit. This EFD would allow for wells to be drilled closer to each other than the stated well spacing rule allows for the field you are completing in. Contact the Office of General Counsel at (512) 463-6848 to inquire what steps you would need to take to apply for the EFD.
 - (ii) Non-Concurrent Production: by taking a non-concurrent production code, you can resolve a SWR 37 between well and/or a SWR 38 exception. You must provide the lease name and well # of the well, or wells, that you will not produce concurrently from.

By taking the Non-Concurrent Production code before you file completions for the permitted well, you will have to submit Well Record Only W-2's or G-1's that state the well, whose lease name and well # you provided on the Form W-1, are being shut-in. Once this is done, you can file the completions on the new well. If, at any time, you wish to produce all wells concurrently, then you will have to amend the permit to get the exception that is needed. If the amendment is granted with the exception to the SWR, then you can file Well Record Only W-2's or G-1's that put the wells back on schedule. If you have any questions as to what you need to submit on your completion paperwork to bring your wells back on schedule, contact your Well Compliance Analyst at (512) 463-6838.

9. What are the implications of using a Non-Perforation Zone (NPZ) designation to resolve a potential SWR 37 exception for a horizontal well?

- a) By using an NPZ, you are stating that there will be ***no perforations placed within the wellbore where an NPZ has been identified on the plat approved with the W-1 application***. A restriction will be placed on the permit, and if the permit is not amended to remove the NPZ's by either obtaining the SWR 37 exception or showing any previously un-leased tracts are now under lease, then you may be subject to enforcement actions if completions are filed showing that the portion of the wellbore in question has been perforated.

If you are using an NPZ to negate a SWR 37, the plat submitted must clearly have the NPZ identified along the wellbore path (distances covered by the NPZ(s) must be shown). The NPZ(s) must cover any portion of the wellbore that is less than the distance allowed by the field rules to an external lease line, or tract in a pooled unit that is not 100% under lease. This applies to any standard field rule spacing, and any special field rules that allow for dual lease line spacing (heel and toe). See example below.



The lease in this image is a pooled unit.

The tracts with the yellow shading contain partially released interest.

NPZ's have been placed where the wellbore enters and exits each tract that contains partially released interests.

This isolates perforations away from the tract boundaries based on the 100-foot heel/toe distance of the filed rules in this example.

Perpendicular spacing would also apply for any tract adjacent to the wellbore, in this pooled unit, that might contain partially released or non-pooled interests.

The use of NPZs, in this example, removes the need for an Interior Rule 37 exception on the W-1 application.

The orientation of the wellbore will affect the size of the NPZ. In this example, the wellbore is intersecting the tract boundaries at a perpendicular 90-degree angle. If the wellbore intersected the tract boundaries at an angle that is not 90 degrees, the size of the NPZ would need to account for the heel/toe and the perpendicular distance to the tract boundary. Perforations would need to be isolated so that the wellbore is compliant with the field rules. Should you have any questions about NPZ placement, please contact the Drilling Permits group at (512)-463-6751.

10. I have a horizontal division of ownership in my lease, pooled unit, or developmental acreage. How do I represent this on the W-1 application?

- a) If the regulatory field being applied for is not a UFT field, then you will need to request a Hearing to be approved for an exception to Statewide Rule 40.
- b) If the regulatory field being applied for is a UFT field:
 - (i) Full Interval rights: Enter zero for the upper value and 999999 for the lower value.
 - (ii) Shallow rights: Enter zero for the upper value and the numerical value for the depth at which your mineral rights end, for the lower value.
 - (iii) Deep rights: Enter the numerical value for the depth at which your mineral rights being,

- for the Upper value, and 999999 for the lower value.
- (iv) Middle rights: Enter the numerical value for the depths at which your minerals rights begin (upper value) and at which they end (lower value).

11. I have multiple horizontal depth severances within an Allocation or PSA development, which include any or all of the above four types discussed in items 10.b) i, ii, iii, and iv. How do I indicate this on the W-1 application?

- a) A comment will be required to be added to the *W-1 and Section IV of the P-16* that describes the horizontal division of ownership interval (depth severance interval) that exists in each of the developmental tracts that are being shown in Section V of the P-16.
- b) The values entered on the Feld Details tab of the W-1 for the upper and lower values should reference the severance that exists in the tract containing the proposed first point of production. If any additional severances exist in other tracts that have different values, then the comment referenced above will be required to be added to the *W-1 and Section IV of the P-16*.

Closing Statements for Drilling Permits

In most cases, having an approved GW-2 is not necessary to have when filing a drilling permit. However, if you are going to be drilling a well that falls under SWR 99 (Cathodic Protection Wells) or SWR 100 (Seismic and Core Holes), an approved GW-2 and a wellbore schematic must accompany your permit application. Wells that fall under these rules are first reviewed by Field Operations personnel, and part of their review includes the GW-2 and schematic. These files should be attached using the classification of 'OTHER.'

Please remember that once an application is filed, and if it is not filed correctly, you may lose your fees and be required to re-file the application. Per SWR 78, filing fees are non-refundable. If you have any questions concerning your application and how you need to file it, please contact the Drilling Permits department using the contact information below.

If you are submitting a payment and the payment portal times out on you. Please reach out to Drilling Permits staff using the contact information below, before attempting additional payments. We can check if a payment was successful. If you attempt an additional payment, you could potentially be charged twice. Per SWR 78, filing fees are non-refundable. If you need to reach out to us for this reason, please provide us with the tracking number from the upper left of the W-1.

If you have made a payment on a W-1 application, and that application does not move from your work in progress queue to the active review queues in the online system, please contact Drilling Permits staff using the contact information below. Do not attempt another payment in this case, otherwise you may be charged twice. Per SWR 78, filing fees are non-refundable. Drilling Permits staff can check to see if the payment was successful. If it was, the application can be pulled into the system manually. If you need to reach out to us for this reason, please provide us with the tracking number from the upper left of the W-1.

The guidelines, as presented, are based on the current rules and procedures in place at the time of the creation of this document. As rules and procedures are constantly being amended or changed, you should contact the Drilling Permits department to verify if information being presented by this document is still current.

Drilling Permits Contact Information:

Phone: (512)-463-6751

Email: drillingpermits-info@rrc.texas.gov