

Section H – Oil Allowable Supplement & Oil Proration Schedule

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Oil Allowable Supplement

The allowables set forth supersede all previous allowables set forth for this well or wells.

This instrument constitutes authority for the purchaser or gatherer of oil produced from this well or wells, to take the allowable for production accumulating or accumulated for the effective date shown until the issuance of a new schedule in which the allowable for this well or wells will be included. The presentation of this instrument, to the operator owning such well, will be authority for the movement of such accumulated production.

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION OIL ALLOWABLE SUPPLEMENT

The allowables set forth supersede all previous allowables set forth for this well or wells irrespective of the manner in which such previous allowables were set, unless otherwise noted under "Remarks."

This instrument constitutes authority for the purchaser or gatherer of oil produced from this well or wells, to take the allowable production accumulating or accumulated for the effective date shown until the issuance of a new schedule in which the allowable for this well or wells will be included. The presentation of this instrument, to the operator owning such well, will be authority for the movement of such accumulated production.

OPERATOR

GATHERER

1

2

DIST. NO. 3	FIELD NAME 4	FIELD NUMBER 5	COUNTY NAME 6			DATE OF ISSUANCE 7														
LEASE NO. 8	LEASE NAME 9	WELL NUMBER 10	RECORD NO. 11	MULTI-WELL 12 <input type="checkbox"/> PRODUCING <input type="checkbox"/> INJECTION <input type="checkbox"/> SHUT-IN		SUPPLEMENT NO. 13														
MONTH AND YEAR 14		DAILY						MONTHLY												
		FIRST OF MONTH	PRIMO. 16	SUPPLEMENTAL 19	SPRIN. 20	SUM. 22	SUPPLEMENTAL	SPRIN. 24	SUM.	EX. TRANS. TO WELL	WELLS (5) 25	CHANGE 26	LEASE TOTAL 27							
	OIL ALLOW 15																			
	GAS LIMIT 17																			
	OIL ALLOW																			
	GAS LIMIT																			
	OIL ALLOW																			
	GAS LIMIT																			
REMARKS: 31		*** OPERATOR COPY ***																		

NOTE: Oil Allowables and Gas Limits include transfer amounts, except Exempt Transfer when shown.

By order of the Railroad Commission of Texas
SEND INQUIRIES TO: DIRECTOR, PRODUCTION and PRORATION
Oil and Gas Division

Identification of Symbols Listed on Oil Allowable Supplement

- 1) Identifies the operator of the lease as of the date the supplement was generated.
- 2) Identifies the primary gatherer of crude for the lease.
- 3) The district associated with the lease per Commission records.
- 4) The regulatory field associated with the lease per Commission records.
- 5) The eight-digit regulatory field number.
- 6) The county associated with the well per Commission records.
- 7) The date the supplement was generated.
- 8) Commission assigned lease number.
- 9) Lease name as it appears in Commission records.
- 10) The well number associated with the well per Commission records.
- 11) This is only for when the lease is a "Multi" lease (no well number will be shown). If a number appears in Item 10, this item will be blank.
- 12) These three spaces show the classification and count of wells on a "Multi" lease. If a number appears in Item 10, this area will be blank.
- 13) Reference number for this supplement only.
- 14) Month and year the change is effective.
- 15) Assigned allowable in barrels per day for the first of the month shown in Item 14.
- 16) The symbol indicating the type allowable in items 15 & 19. See list.
- 17) Assigned gas limit, in MCF per day, for the first of the month shown in Item 14.
- 18) The symbol indicating the gas limit type in Items 17 & 21. See list.
- 19) The allowable in barrels per day effective the day shown in Item 22 for the month shown in Item 14.
- 20) See Item 16.
- 21) The gas limit in mcf per day effective the day shown in Item 22 for the month shown in Item 14.

- 22) The day of the month that the allowable shown in Item 19 and gas limit in Item 21 are effective.
- 23) See Item 18.
- 24) The same as corresponding Items 19, 20, 22, and 23.
- 25) The monthly allowable for the well or record identified in Item 10.
- 26) The monthly allowable change, as caused by Item 19 and/or 24.
- 27) The total monthly allowable for the lease as changed by supplement. This figure will be changed each time there is a change for any well or record on the lease.
- 28) The monthly gas limit for the well or record identified in Item 10.
- 29) The monthly gas limit change, as caused by Item 21 and/or 24.
- 30) The total monthly gas limit for the lease as changed by supplement. This figure may change each time there is a change for any well or record on the lease.
- 31) The reason why the supplement was issued.

List of Oil Allowable Symbols

#	Limited to potential test
@	Limited by past 3 months of production
*	Penalized because of high gas to oil ratio exceeding field rules
¢	Limited by water production (East Texas field only)
N	New field discovery
M	Marginal well
X	Exempt from market demand factor
Blank	Top allowable per field rules (no symbol by the allowable amount)
\$	No Production, 3 consecutive months for lease allowable
A	Indicates a change in potential or other information when current schedule was printed (14 th month on tape)
B	Indicates a change in potential or other information when last month's schedule was printed (13 th month on tape)
C	Indicates a change in potential or other information when month before last's schedule was printed. (12 th month on schedule)

List of Oil Allowables

Number	Barrels per day
Delq. W-10	W-10 needs to be filed
Delq. Form	A form may be required in order to get an allowable
Exc. 14B	A Rule 14 (b)(2) extension has been granted
No Prod	Printed if the annual survey W-10 test shows all wells on lease shut-in and PR reports reflect "0" production.

List of Gas Limit Symbols

X	New field discovery
Net	A net gas limit approved by Commission action (unlimited gas production)

Potential Resolutions to Overproduction Issues

- 1) If wells have a higher rate of production from the last W-10 submitted, file a Form W-10 Retest (Well Status Report) online.

- 2) Assign additional proration acres. If the field and your leases allow for additional proration acres to be assigned to the well(s).
- 3) Request a Hearing to address the over production.
- 4) If overproduction is caused by a delinquent form use the appropriate RRC Online Application to resolve the forms lacking.
- 5) Please contact Well Compliance for assistance.

Oil Proration Schedule

Proration schedule can be found on the Railroad Commission of Texas website by gatherer, operator, field, and purchaser.

Below, is a copy of an actual oil proration schedule listed by field. Each item is shown in detail and is identified as to its purpose.

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JENKINS, S. (CLEARFORK, LO.) 46136200 GAINES ,DEPTH: 7188 B 100.0% LAND
***** CUMULATIVE PROD- 155706
DISC:02/15/82 ,GRAV:41.3 ,RATIO: 2000-1 ,ALLOW: 198 ,SPAC: 660/1320
WELL STATUS TEST (FORM W-10) JUN - NOV DUE DEC 1 EFFECTIVE JAN 1
ACRES: 80 ,TOL: 40 LAST WELL ,DIAG: 3250 ,CASING: TDWR
ALLOC: 100% ACRES (FACTOR) 2.4750

MVBAL LSEALLO OILPROD CH GAS OILPROD2 STATUS API
WELL DEPTH POTE ACRES GOR TRANS OIL GAS WELL REMARKS ALLOW P N @ XCD T-DATE WATR CTY NUMBER
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WELL STATUS TEST (FORM W-10) JUN - NOV DUE DEC 1 EFFECTIVE JAN 1
ACRES: 80 ,TOL: 40 LAST WELL ,DIAG: 3250 ,CASING: TDWR
ALLOC: 100% ACRES (FACTOR) 2.4750

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Identification of Items Listed on Proration Schedule

- 1) Field Name (zone)
- 2) Field Number
- 3) Discovery County
- 4) Lowest perforation of the Discovery Well
- 5) Code for Allocation Formula
- 6) Land/Offshore
- 7) Oil produced since discovery of field
- 8) Effective date of allowable of Discovery Well
- 9) Oil gravity of the Discovery Well
- 10) Ratio for calculating the Gas Limit
- 11) Top oil allowable per day per well
- 12) Minimum distance to the nearest lease line
- 13) Minimum distance to between wells
- 14) Test period for annual W-10 Survey
- 15) Due date for annual W-10 Survey
- 16) Effective date for annual W-10 Survey
- 17) Proration Unit Size (Standard)
- 18) Tolerance Acreage
- 19) Tolerance Code
- 20) Diagonal (feet)
- 21) Basis for casing requirement
- 22) Allocation Formula
- 23) Allocation Factor

Oil Well Schedule Codes

Production Method Codes		Gas Limit Codes	
Code	Production Method	Code	Description
F	Flowing	X	New field discovery
P	Pumping	Net	A net gas limit approved by Commission action (unlimited gas production)
G	Gas Lift		
E	Exception 10,000/Input Ratio		
S	Swabbing		

Oil Allowable Codes		NET GOR Codes	
Code	Description	Code	Description
#	Limited to potential test	0	None
@	Limited by past 3 months of production	1	Ratio
*	Penalized because of high gas to oil ratio exceeding field rules	2	Amount
ç	Limited by water production (East Texas field only)	3	Unlimited
\$	No Production, 3 consecutive months for lease allowable		
N	New field discovery		
M	Marginal well		
X	Exempt from market demand factor		
Blank	Top allowable per field rules (no symbol by the allowable amount)		
A	Indicates a change in potential or other information when current schedule was printed (14 th month on tape)		
B	Indicates a change in potential or other information when last month's schedule was printed (13 th month on tape)		
C	Indicates a change in potential or other information when month before last's schedule was printed. (12 th month on schedule)		

Test Exception Codes	
Code	Description
0	No
1	Yes

Well Types	
Producing	
Shut In	
Part. Plug	
S.I. Multi	
G Str Wtdrw	
Water Supply	
Observation	
Geothermal	
Other Serv.	
G Str Inj	
Temp Abandon	
Liq Storang	
Injection	
Brine Mine	
G Str Salt Form	
Abandoned	
No Prod.	
Terra	

Oil Allowables	
Allowable	Description
Number	Barrels per day
Delq. W-10	W-10 needs to be filed
Delq. Form	A form may be required in order to get an allowable
Exc. 14B	A Rule 14 (b)(2) extension has been granted
No Prod	Printed if the annual survey W-10 test shows all wells on lease shut-in and PR reports reflect "0" production.