

<input type="checkbox"/> <b>New</b> <input type="checkbox"/> <b>Amended</b> Existing Permit No. _____ Effective Month/Year of Requested Exception: _____ / _____	<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL AND GAS DIVISION</b>  <b>APPLICATION FOR EXCEPTION TO STATEWIDE RULES (SWR) 26 AND/OR 27</b>	<b>FORM P-17</b> Eff 01/2008 <b>\$150 FILING FEE</b>  District _____ County _____
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**SECTION 1. OPERATOR INFORMATION (See instructions under "Who Files")**

Operator Name (as shown on P-5): \_\_\_\_\_ Operator P-5 No. \_\_\_\_\_

Operator Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

**SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)**

Gatherer Name (as shown on P-5): \_\_\_\_\_ Gatherer P-5 No. \_\_\_\_\_

Gatherer Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Gatherer E-mail Address: \_\_\_\_\_  
(Optional – If provided, e-mail address will become part of this public record.)

**SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY):**  OIL  CASINGHEAD GAS  GAS WELL GAS  CONDENSATE

a.  Gas well full well stream into common separation and storage facility with liquids reported on Form PR.

b.  Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # \_\_\_\_\_ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)

c.  Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.

d.  This request is for off lease:  storage  separation  metering.

e.  This exception is for common storage.

f.  This exception is for common separation.

g.  This exception is for casinghead gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_.

h.  This exception is for gas well gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_.

i.  This request is an exception to measure liquid with a: (check one below)  
 a Turbine Meter or  a Coriolis Meter (an additional \$150.00 and a letter of explanation is required for each exception.)

**SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)** The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

a.  The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)

b.  The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)

c.  The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)  
If b. or c. checked, production will be allocated by:  W-10 (oil)  W-2 retest (oil)  PD Meter (oil & condensate)  G-10 (gas)

d.  The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)

e.  The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)

f.  The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)

g.  Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

**SECTION 5.**  Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

**SECTION 6.**  For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

**SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)**

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
		<input type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete		
		<input type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete		
		<input type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete		
		<input type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete		

**ATTACH ADDITIONAL PAGES AS NEEDED.**  No additional pages  Additional pages \_\_\_\_\_ (# of additional pages)

**CERTIFICATE:** I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected State Agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected State Agencies being obtained.

**Signature** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_

Operator E-mail Address: \_\_\_\_\_ Operator Phone No. \_\_\_\_\_  
(Optional – If provided, e-mail address will become part of this public record.)

**RRC USE ONLY**

**Commingling Permit No.** \_\_\_\_\_ **Approval date:** \_\_\_\_\_ **Approved by:** \_\_\_\_\_



**REVIEW AND BECOME FAMILIAR WITH SWR 26 AND SWR 27 BEFORE FILING FORM P-17.  
FOR ADDITIONAL INSTRUCTIONS PLEASE CONSULT  
THE PERMITTING & PRODUCTION SERVICES FILING PROCEDURES MANUAL.**

**GENERAL**

**WHEN TO FILE.** Oil/condensate and natural gas production must be measured prior to leaving the lease and/or custody transfer. Liquid production from each lease/gas well must be placed in a separate stock tank if stored on the lease prior to custody transfer. An exception to individual lease/gas well metering and storage may be requested by filing Form P-17 with supporting documentation as required.

**WHO FILES.** An operator of oil and gas production under authority of the Commission P-5 who is responsible for compliance with statewide Rules 26, 27, and/or 55 files Form P-17 in accordance with these instructions.

**COMPLIANCE.** In order to file a Form P-17, the applicant must have on file with the Railroad Commission (RRC) a current P-5 Organization Report and financial assurance (if required) and must be in compliance with all RRC rules and orders. The applicant must be the operator of the commingled facility as shown in SECTION 1 on Form P-17.

**WHERE AND WHAT TO FILE.** File the original and two copies of Form P-17 and any required attachments and fees with the Railroad Commission by hand delivery or mail to the following address: Railroad Commission of Texas, P. O. Box 12967, Austin, Texas 78711-2967.

**FEES.** A filing fee of \$150 is required with each Form P-17, unless the only purpose for filing Form P-17 is to delete a lease(s) or well(s) from an existing commingling permit. An additional \$150 filing fee is required for each request of an exception to meter oil or condensate with a **Turbine meter or Coriolis meter**. Fees are non-refundable. Make checks or money orders payable to "Railroad Commission of Texas." The Commission also accepts payment by credit card. For information about payment by credit card, see <http://www.rrc.state.tx.us/programs/datasets/crcard.php>

**PURPOSE OF FILING.** File Form P-17 as provided for in Statewide Rules 26, 27 and 55 for the following:

- (1) surface commingling of liquid hydrocarbon (oil, condensate or a combination of oil and condensate) production into a common facility OR surface commingling of liquid hydrocarbons and gas production into a common facility with liquids reported on Form PR (these are the only commingling situations in which a permit number will be assigned for reporting on Form-PR, Production Report);
- (2) production of gas wells full well stream to a plant/common facility with liquids reported on Form R-3;
- (3) gas metering exceptions;
- (4) off-lease separation/storage/metering.
- (5) amending an existing surface commingling permit (complete SECTIONS 1 through 6 of Form P-17).

File Form P-17 to amend an existing surface commingling approval if a lease consolidation, unitization, field transfer, or work-over/re-completion of a surface commingled lease/gas well occurs. In addition, stock on hand must be transferred on the Form PR.

**IMPORTANT TERMS**

**Common separation and storage:** production from two or more leases or wells is combined into one separating device/facility with the liquids placed in common storage.

**Common storage only:** when each commingled lease or well has a separating device and the liquids are stored in a common tank after individual separation.

**Deduct Metering:** a method of allocating production to a non-metered gas well by subtracting other individually measured well volumes from the total measured gas volume.

**District and County** (top, right-hand corner): the Railroad Commission District and County where the commingling facility is physically located.

**Effective Month/Year of Requested Exception** (top, left-hand corner): the initial month of surface commingling (or amendment/change effective month) and the reporting of commingled production on a combined report. The "effective Month/Year" is the month that commingling actually begins.

**Effective month of deletion:** When a lease/well becomes inactive and must be deleted from a permit, all stock on hand must be disposed of before filing an amended Form P-17 to delete the lease/well. The effective month of deletion should be the month following the month of the last disposition of production. When discontinuing the operating and reporting of facilities, the Commission and the gatherer must be notified of the effective month of permit cancellation.

**Location plat:** a plat that shows the location of all leases involved in the application. A location plat is required with a Form P-17 for (1) off lease storage of oil or condensate or (2) off lease metering of gas or liquids. The location plat should show the approximate location of L.A.C.T. units, meters, tank batteries, and any other separation, metering, or storage facilities involved in the surface commingling application.

**Off-Lease:** A location or lease not listed in this application.

**RRC Identifier:** all existing or new oil lease numbers, gas identification numbers, or drilling permit numbers as applicable on Form P-17.

### INSTRUCTIONS FOR SECTION 3. REQUEST TO COMMINGLE

**BOX 3.a.** When **producing a gas well full well stream into a common facility with condensate reported on Form PR**, the Form P-4 should show both a gas gatherer and a condensate gatherer. A commingling permit number will be assigned and must be reported on Form PR for the individual wells.

**BOX 3.b.** When **producing a gas well full well stream to a gasoline plant or common facility where condensate is reported on Form R-3**, the Form PR for the well should show only the full well stream gas production volume and no condensate. The Form P-4 should designate a "full well stream" gatherer but no condensate gatherers. The commingling occurs at the facility reported on Form R-3, Monthly Report for Gas Processing Plants. A permit number is not issued for this type of commingling and is not reported on the Form-PR.

**BOX 3.d.** When requesting **off lease separation and/or storage of liquids or off lease metering**, show only the lease requesting off lease authority on the Form P-17 and attach a location plat showing the location of the facilities. Do not list the lease on which the facilities are to be located.

### INSTRUCTIONS FOR SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD

**Notice of application (NOA) is NOT required if** you check any one of BOXES 4.a, 4.b, 4.e or 4.f.

**Notice of Application (NOA) IS required if you check BOX 4.c.** If the royalty and working interest owners of all leases producing into the common separation and/or storage facility are not the same and you do not meter before commingling, you must provide a 21-day notice of this application to, or waivers of objection from, the royalty and working interest owners in accordance with SWR 26(b)(1)(C).

**In addition, if you DO NOT check BOX 4.a., you must indicate** the method of allocation of production in accordance with SWR 26(b)(3). ATTACH to this FORM P-17 a diagram/schematic that shows all meters, separators, and other production equipment where production from each well is separated, metered, and/or commingled.

**ADDITIONAL notice of application (NOA) IS required** if you check BOX 4.d. and/or 4.g., but do NOT check BOXES 4.e, & 4.f. If the wells proposed for commingling produce from multiple reservoirs or any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted, you must provide additional notice of the application **to all offset operators** of adjacent tracts having one or more wells producing from the same reservoirs (SWR 26(b)(4)). ATTACH to this Form P-17 an Affidavit stating that notice of the application was sent by certified mail or that waivers of objection were received.

### INSTRUCTIONS FOR SECTION 5 NAME OF WELL OPERATOR.

Check the BOX in SECTION 5 if the operator of any well proposed for commingling is different from the operator listed in SECTION 1 of the Form P-17. If you check this box, ATTACH a listing of the name of each "**other**" operator and Form P-5 operator number and, for each operator, all the information required under SECTION 7 of the Form P-17.

### INSTRUCTIONS FOR SECTION 6 PRODUCTION OF ALL OIL WELLS TO BE COMMINGLED.

CHECK the box in SECTION 6 if **all producing wells listed** under all specific oil lease numbers on the proration schedule for the effective month **are being commingled** under this application. If this box is checked, individual well numbers for each oil lease number listed under SECTION 7 do not need to be listed. **DO NOT CHECK** the box in SECTION 6 if production from only some of the wells under any oil lease number is commingled under this application.

**INSTRUCTIONS FOR SECTION 7 LEASES SHOWN ON PRORATION SCHEDULE.**

**DISTRICT:** Indicate the Commission district associated with the RRC identifier.

**RRC IDENTIFIER:** For new applications, list each RRC oil lease or gas ID number to be surface commingled. If the lease or ID number has not yet been assigned, list the drilling permit number of the wells proposed for commingling. If more space is needed, complete the list of leases on an additional page and attach it to Form P-17.

**ACTION:** List all existing leases or wells and all wells that are being added to or deleted from the permit and check the appropriate box to indicate the action.

**LEASE NAME:** Indicate the name of the lease. If the lease identifier is pending, also provide the field name.

**WELL NO.:** When only part of the wells on a given oil lease are commingled, list the individual well numbers to be commingled in the "Well No." column. If the wells exceed the space provided, ATTACH a list to the Form P-17. It is not necessary to list the gas well numbers because gas leases only have one well. If all of the wells of an oil lease are being included, the word "all" can be inserted in the "Well No." column as opposed to listing each well.

**COMMISSION APPROVAL OF FORM P-17:**

Upon approval of the Form P-17, the Railroad Commission will mail an approved copy to both the applicant and the gatherer.

Any exception to Statewide Rule 26 or 27 granted by the Railroad Commission through the approval of a Form P-17 is contingent on the applicant obtaining all related required approvals from other affected State Agencies.

In addition, if a protest is registered with the Railroad Commission concerning the installation and/or operation of the facilities approved at any time following approval, the exception to SWR 26 and/or 27 shall be subject to cancellation by the Railroad Commission if, after due notice and hearing, cancellation is justified.