

Two Day Program

**Auraria Campus, Room 112 (both days), Registration 8:00 am
900 Auraria Parkway, Denver, Colorado**

May 22, 2019

Division Orders 101 (Class #1)

May 23, 2019

Oil and Gas Calculations and Well Set ups (Class #2)

Price \$400 each class, Both Classes \$700

Instructor: Sherry Robinson, Division Order Beginnings

Description of Division Orders 101 (for beginner)

- Terminology/Petroleum Abbreviations
- Spacing, Pooling, Land Proposals & Procedures
- Royalty History and Gas Royalty payments by State
- Special lease clauses and exemptions that impact your revenue deck
- Collins #1, calculation of royalty, override and working interest in Texas (Lessor and Lessee burden relationship)
- Multiple calculation exercises for the student, including lease nets for the working interest owner.
- Senate Bill 168 in Oklahoma: History and Calculation formula
- Collins #2 Farm-outs and calculation of overrides on multiple leases. After payout of farm-out and back in.
- Discuss Intestate for small estates, liability issues for your company. Know the descent and distribution in each state. Personal stories from the instructor of issues with royalty owner payments. What to watch for to avoid liability to your company.
- Searching for the missing royalty owner, where to look.

This class is designed to take a beginner with no knowledge of the department and teach them terminology and the burdens impacting the lease, from the royalty and non-participating owner to the overriding royalty. They will set up a mock well using mock title opinions and learn royalty, override and net working interest calculations. Repetitive exercises help the student grasp the math side of division orders. The student will be working hands on problems with oversight from the instructor. All students are monitored and assisted as needed.

Class #2 May 23:

Description of Oil and Gas Calculations and Well Set ups (continuation from Class #1)

Battery operated laptops welcome for class work (fully charged since this is a full day)

Student's knowledge of excel a plus but not required

- More calculation exercises of override reservations and lease net and net revenue working interest exercises.
- Calculate Collins #2 in Oklahoma, Senate Bill 168 PPI calculations
- Set up a non-operated deck taking in kind in Oklahoma. Calculate your company's PPI, and your share of the total unit royalty payable to the Operator.
- Non-Consent and the formula for parties taking their share. Set up a well before and after payout
- Chaining Title using information in the back of a mock title opinion
- Horizontal Drilling, calculate Tract Participation Percentage using a mock plat and title opinion. Complete well set up for royalty, override and working interest.
- Problem solving exercises for incorrect well set ups, where to look and cross check methods
- How to read formulas in title opinions, what the fractions mean
- Spreadsheet demonstrations with excel exercises provided to the student after the class

This class is designed to take a beginner analyst a step further, how to cross check the work and the importance of getting the numbers right. The impact to the departments for incorrect well set ups and the liability to the company. By the end of the class, the student should understand a lease net and a net revenue interest in the well for the royalty, override and working interest owner. Calculate a Horizontal well using footage drilled from a mock plat and the final numbers for the royalty override and working interest owners. This class will primarily be math calculations. The instructor will work with the student one on one as they are doing the exercises to alleviate the intimidation of the math.