



## Quick Reference Calculations

9/13/2024

Term	Definition	Formula
Burdens	Royalty deductions associated with NRI calculations	$LRI + \text{total Lease/Tract ORRI}$
Company Net Mineral Acres (Co. NMA)	Acres associated with WI owner in a tract	$\text{Tract Gross Acres} \times MI \times \text{Lease/Tract WI}$
Company Net Revenue Interest (Co. NRI)	Ownership associated with share of revenue; Calculation is for a well DOI when TPF is applied	$\text{Lease/Tract NWI} \times \text{TPF}$
Division of Interest (DOI)	Conclusion of ownership calculations representing the fractional ownership interests	Refer to ownership decks WI and NRI
Lease Royalty Interest (LRI)	8/8ths royalty percentage listed in lease; Royalty can vary by product type; common LRIs include: 12.5% or 1/8, 16.67% or 1/6, 20% or 1/5, 25% or 1/4, 1/7, and 18.75%	Refer to royalty provision in lease
Lease/Tract Net Revenue Interest (Lease/Tract Gross NRI)	8/8ths Ownership associated with share of revenue, specific to a lease/tract	$100\% - \text{Burdens}$
Lease/Tract Net Working Interest (Lease/Tract NWI or NRI)	Ownership associated with share of revenue, specific to a lease/tract; MI may be included for some proportionate share calculations	$\text{Lease/Tract Gross NRI} \times \text{Lease/Tract WI} \times MI$
Lease/Tract Overriding Royalty Interest (Lease/Tract ORRI)	Cost free revenue interest that burdens the lessor/mineral owner's revenue interest, specific to a lease/tract	Refer to assignment creating ORRI
Lease/Tract Working Interest (Lease/Tract WI)	Ownership associated with share of expenses; calculation specific to lease/tract ownership	Refer to interest conveyed in assignment of WI
Mineral Interest (MI)	Lessor / mineral owner's interest in a tract; <u>if unleased</u> , MI often treated as non-participating WI	$\text{Tract Gross Acres} \div \text{tract NMA}$ or Refer to source deeds/title reports
Net Mineral Acres (NMA)	Lessor / mineral owner's acres in a tract	$\text{Tract Gross Acres} \times MI$
Net Revenue Interest (NRI)	Ownership associated with share of revenue	Calculated based on interest type; refer to: - Co. NRI                      - NPRI - RI                                - ORRI
Net Royalty Acres (Co. NRA, RI NRA, ORRI NRA)	Acres associated with NRI ownership in a tract; calculation based on interest type	Co. NRI:                      Co. NMA $\times$ Lease/Tract Gross NRI RI NRA:                      NMA $\times$ LRI ORRI NRA:                      NMA $\times$ Lease/Tract ORRI
Non-Participating Royalty Interest (NPRI)	Royalty type interest that burdens the lessor/mineral owner's interest; Calculation is for well DOI when TPF is applied	$MI \times NPRI \% \text{ or share of mineral owner's royalty} \times LRI \times \text{TPF}$
Overriding Royalty Interest (ORRI aka OR aka ORI)	Cost free revenue interest that burdens the working interest owner's share of revenue; Calculation is for well DOI when TPF is applied	$\text{Lease/Tract ORRI} \times \text{associated MI} \times \text{associated WI} \times \text{TPF}$
Royalty Interest (RI)	Mineral owner's share of revenue; calculation is for a well DOI when TPF is applied	No NPRI burdens: $MI \times LRI \times \text{TPF}$ or With NPRI burdens: $(100\% \text{ royalty share less NPRI percentage or share of mineral owner's royalty}) \times MI \times LRI \times \text{TPF}$
Tract Gross Acres	Acres associated with a parcel of land before proportionate reduction calculations	Refer to actual tract acres
Tract Participation Factor (TPF)	Proportionate share of production from a unitized zone or pooled spacing unit; Used for well DOI calculations	$\text{Tract Gross Acres} \div \text{Total Unit Acres}$ or $\text{Productive lateral length associated with tract} \div \text{total productive lateral length (i.e. allocation well)}$ or Other contractual considerations (i.e. production sharing well)
Working Interest (WI)	Ownership associated with share of expenses, calculation is for a well DOI when TPF is applied	$\text{Lease/Tract WI} \times MI \times \text{TPF}$ or $\text{Co. NMA} \div \text{Unit Acres}$



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