# Debate Over Allocation Wells Continues

Horizontal wells drilled across lease lines were clearly not contemplated in a typical oil and gas lease, and lessors should not be forced to accept a formula for royalty payment to which they have not agreed, advises **John McFarland** of Graves Dougherty Hearon & Moody in **an article** published in Oil and Gas Lawyer Blog.

His article discusses some recent articles published on the subject of allocation wells. He describes an allocation well as one "that crosses one or more lease lines and that produces from more than one lease without pooling those leases and without any agreement with the royalty owners as to how production will be allocated among the leases crossed by the well."

"Whether or not one calls it pooling, allocation of production from a well drilled across multiple tracts is a method of sharing production among the owners of those tracts. In Texas, that cannot be done without the lessors' agreement," he continues.

**Read the article**.