

**The following is an excerpt from an article published in the October 1, 2012 SWKROA newsletter:**

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**API NUMBERING GUIDELINES**

In August of this year Linn Energy mailed a notice to all of its royalty owners in Southwest Kansas that Linn Energy had acquired and would be the new operator on wells in which BP America (formerly Amoco) previously operated. The notice contained an exhibit of wells, listed by the API number, which Linn was now operating. The notice by Linn was provided to surface owners, as required under the Kansas Surface Owner Notification Act (KSONA). KSONA was adopted in 2009 by the Kansas legislature through efforts of SWKROA. Our office received a number of calls asking for an explanation of the API number and how they could identify their individual well(s) on the list of API numbers detailed on the Linn Energy exhibit. Our members are not accustomed to using an API number to refer to their wells from which they receive royalties. Rather, most royalty owners are used to seeing the name of the well, or a lease or property number, on their royalty remittance statement or on their tax statement which has been assigned by the operator.

However, the use of an API number within the industry is common.

In 1962, the American Petroleum Institute (API) formed a subcommittee on well data retrieval systems to develop a standard method for nationwide well identification for use in computerized well data systems. From the subcommittee and subsequent committees, a uniform system of identifying an oil or gas well (e.g. hole in the ground) or well providing related services, which was unique, permanent and numeric was developed.

Over the years this identification system has been tweaked to accommodate changes in the oil and gas drilling processes. The “tweaking” may have effected some of the older wells identification structure and, as such, the numbering system for those wells may not fit exactly the structured coding shown below.

Let’s follow a sample API number “15-081-21768- 0000.” The first two digits of the code represent the surface location of the state in which the well is located. The surface location for this sample well reveals the well is located in Kansas, as the numeric designation for the state of Kansas is “15.” While the bottom hole location of a well might actually be located in another state, the API number is based on the surface location. At the time the codes were developed Alaska and Hawaii had not yet become states. As such the states were coded alphabetically by state, starting with Alabama as” 01” and Wyoming as “49.” Alaska was eventually designated as “50” and Hawaii as “51”. Alaska Offshore is “55”; the Pacific Coast Offshore is “56”; the Northern Gulf of Mexico is “60”; and the Atlantic Coast Offshore is code number “61.”

The third through fifth digits of the API number represent the surface location of the county where the well is located. Just as above, the bottom hole location may be located in another county but the surface location controls the designated API number. In our example, the well is located in

Haskell County, KS. (e.g. 15-**081**-21768-0000) All county codes are odd numbers except for certain counties in Arizona, New Mexico and in Kern County, California. Those were designated for additional wells for those locations. County codes are also used to designate offshore areas for both state and federal waters.

For most states, the sixth through tenth digits of the API number are assigned as a unique number within the county where the well is drilled. (e.g. 15-081-**21768**-0000) In a few states, the unique well identifier is based on the permit number and may only be unique within the state. In most cases the series 00000 has been used for historical wells (e.g. wells drilled prior to the issuance of API numbers). The series 10000-50000 are used by most states for current numbers.

The “sidetrack code” is designated by the eleventh and twelfth digits of the API number. A sidetrack is a secondary wellbore drilled away from the original hole. It is possible to have multiple sidetracks, each of which might be drilled for a different reason. This number identifies each sidetrack uniquely for the well. A good rule of thumb is to increment the sidetrack code for each unique bottom hole location of the well. In the above example, there are no sidetracks off the original wellbore. (e.g. 15-081-21768-0000)

The thirteenth and fourteenth digits of the API number indicate how many operations there have been on a single borehole. This number is incremented only when part of the borehole identified in the 11th and 12th positions is deepened, recompleted, or worked over. Since the example above shows a code of 00, it is known that this is the original drill and no other operations are associated with the well. (e.g. 15-081-21768-**0000**) (This number code may vary between data vendors based on their database recompletion criteria).

The API number should be shown on a placard located on the well or at the well location. Since the API number is a unique number for a well, it is often used in a variety of documents which you may receive from the producer or in other correspondence. This number must be provided to you by a producer upon your request. In addition, the API number may be found by locating your well(s) on the Kansas Geological Survey’s website listing of all oil and gas wells in Kansas. That site is <http://www.kgs.ku.edu/Magellan/Qualified/index.html>.

Information for this article was taken from the Society of Petrophysicists and Well Log Analysts (SPWLA) reference site <http://www.spwla.org/technical/api-technical> and IHS <http://www.ihs.com/products/oil-gas-information/training/reference-materials.aspx?tid=t5>.

[Secretary’s Note: K.S.A. 55-1622a, which SWKROA promoted, provides that a royalty owner can make a written request, sent by certified mail, to the payor about the owner’s royalty payment and the wells for which payment is made, including the lease, property or well identification number used by the payor for royalty payment purposes and corresponding lease, property or well identification 3. number(s) used for identification by the Kansas Department of Revenue, State Corporation Commission or American Petroleum Institute (API). The statute also specifies other information which is available on request to the payor. K.S.A. 55-1620, et.seq. may be found on the SWKROA website ([www.swkroa.com](http://www.swkroa.com)), under the Forms and Publications tab.