Excalibur’s Land Division Order (LDO) system is a complete entitlement, contractual maintenance, and revenue division of interest management tool. Title and lease departments can establish and track historical ownership on properties. Title can be kept at a producing horizon level, well level, or unit level. LDO maintains the burden relationship between working interest owners and royalty and overriding royalty interests for split stream selling of product.

The LDO system also maintains the relationship between title ownership and contract dedication factors for wells. This system tracks revenue by contract, purchaser and Working Interest (WI) Owner and automatically creates disbursement division orders in the revenue system. The system associates all royalty burdens with each WI owner and programmatically creates Proportionate Production Interest (PPI) for Oklahoma properties.

Calculating WI and NRI

• Calculates net revenue interest on a tract or lease basis and then summarizes the interest to an entitlement level.
• Calculates all interest to 12 decimal point precision with 8 decimal point rounding.
• Fractions can be entered in LDO, with the system calculating the decimal equivalent, and maintained for the fractional description in Exhibit ‘A’ reporting.
• Creates working interest owner to royalty/overriding royalty burden relationship for split stream distribution and basis of PPI Calculation.

Exhibit ‘A’ and tract reporting using LDO

• Provides Divisions of Interest, Tract Detail, Unit Summary, Transfer Division Order, and Supplemental Division Order in report format.
• Allows for optional printing of fractional ownership on the Exhibit ‘A’.

Mass Updating using LDO

• Supports mass updating by owner, property, product, type interest, and effective date for all entitlement and revenue decks.
• Allows option to create a new effective division order, update all division orders, or just update the current division order that revenue uses to process.
• Provides a list of all properties where an owner has an interest.
• Allows mass updating by percentage or fraction and maintains all burden relationships.
• Provides for the option of releasing suspended funds when the mass change is interfaced to Revenue.
• Interfaces to Gas Balancing to determine the transfer of cumulative imbalances from Working Interest Owner to Working Interest Owner.
Contractual Maintenance

- Maintains owner entitlement interest by working interest groups consisting of one working interest owner and that owner’s related royalty burdens.
- Multiple working interest groups can be attached to a contract to create revenue distribution decks.
- Generates Revenue Division Orders by inflating title interest to 100% programmatically or creating true interest by adding a balancing interest by contract, depending on how revenue is booked.
- The system retains working interest for each owner that Well Head Balancing uses to determine entitlement interest.

Audit

- The system maintains an audit path of changes to owners by date and property.
- Reports show chain-of-title on a property.