

This resource guides you through the process of completing (entering data, validating, and submitting) a simple unit with tracts UT1 (Oil Royalty Report) in the Compass Portal.

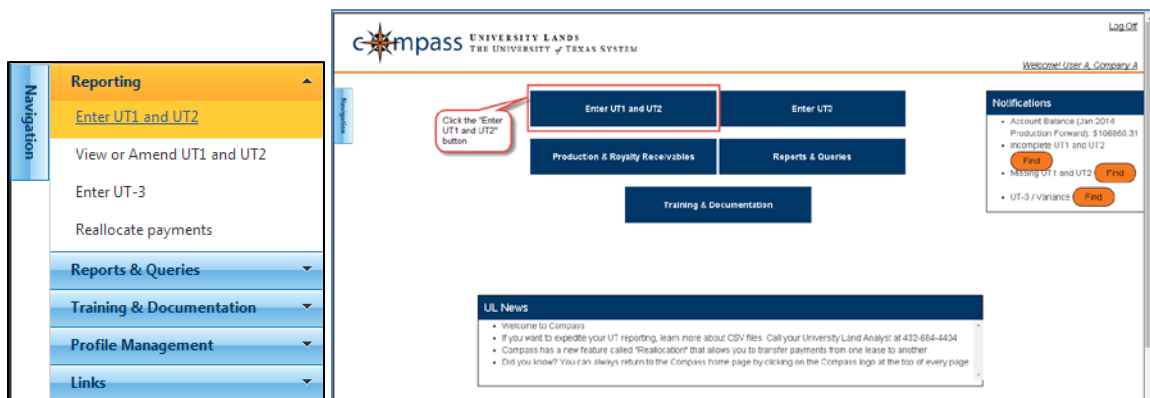
## How to Complete a UT1 – Oil Unit Example

Oil and condensate Royalty Payments must be deposited before the 5th day of the second month after the month of production. If reports are not timely submitted, the lessee may be subject to a penalty and interest.

Royalty is due and payable in accordance with the lease agreement on 100% of the gross production of oil or condensate. Gross production includes skim oil, scrubber oil, condensate, lost oil, and other oil components.

File a separate UT1 for each Railroad Commission Lease Number on each University Lease. **If an Operator is involved in a multi-tract unit and only has interest in a few tracts, the Operator does not have to report zero on tracts in which they do not have an interest.** Please follow these guidelines to submit a UT1 (Oil Royalty Report) on any unit:

1. From the Landing Page, navigate to the “Enter UT1 and UT2” Page by clicking the button, or click the “Navigation” button on the left-hand side of the screen and select “Reporting” > “Enter UT1 and UT2.”



2. Select (highlight) the appropriate production period for the row where the Product Type is “Oil.”

	Company Number	Company Name	Status	Production Date	Product
1	00000011111	Company A	Incomplete	11/2011	Oil
2	00000011111	Company A	Incomplete	12/2011	Oil
3	00000011111	Company A	Incomplete	01/2012	Oil
4	00000011111	Company A	Incomplete	02/2012	Oil
5	00000011111	Company A	Incomplete	03/2012	Oil

- Select (highlight) the appropriate Property record for the reporting lease. Note: a unitized lease has a “Unit Number.”

Property Report (2)														
	<input type="checkbox"/>	Trace Number	Status	Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number	Transaction Type	Beginning Inventory	8/8 Production	8/8 Disposition
1	<input checked="" type="checkbox"/>	A16269	Error	11111	Compass Port:		45454	08	0		Original	0.00	0.00	0.00
2	<input checked="" type="checkbox"/>	A16270	Error	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	<input checked="" type="checkbox"/>	A16271	Error	44444	Compass Port:		78787	08	0	29	Original	0.00	0.00	0.00
4	<input checked="" type="checkbox"/>	A16272	Validated	16161	Compass Port:		25252	08	0		Original	10.00	90.00	90.00

- Select (highlight) the “Beginning Inventory” field to enter a value. This is the first editable field in the grid. You can enter the required data into the editable fields in any order. Note: on all grids, the editable fields where data is entered are identifiable as the dark-blue fields. The light-blue fields are pre-populated and read-only.

Property Report (2)														
	<input type="checkbox"/>	Trace Number	Status	Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number	Transaction Type	Beginning Inventory	8/8 Production	8/8 Disposition
1	<input checked="" type="checkbox"/>	A16269	Error	11111	Compass Port:		45454	08	0		Original	0.00	0.00	0.00
2	<input checked="" type="checkbox"/>	A16270	Error	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	<input checked="" type="checkbox"/>	A16271	Error	44444	Compass Port:		78787	08	0	29	Original	1000	0	0
4	<input checked="" type="checkbox"/>	A16272	Validated	16161	Compass Port:		25252	08	0		Original	10.00	90.00	90.00

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “8/8 Production” field, to enter a value. “8/8 Production” is the gross number of whole barrels produced for the month reported. This field is required. Note: the value can be zero.

Property Report (2)														
	<input type="checkbox"/>	Trace Number	Status	Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number	Transaction Type	Beginning Inventory	8/8 Production	8/8 Disposition
1	<input checked="" type="checkbox"/>	A16269	Error	11111	Compass Port:		45454	08	0		Original	0.00	0.00	0.00
2	<input checked="" type="checkbox"/>	A16270	Error	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	<input checked="" type="checkbox"/>	A16271	Error	44444	Compass Port:		78787	08	0	29	Original	1000	500	0
4	<input checked="" type="checkbox"/>	A16272	Validated	16161	Compass Port:		25252	08	0		Original	10.00	90.00	90.00

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “8/8 Disposition” field, to enter a value. “8/8 Disposition” is 100% of the volume sold for the selected production month. This field is required. Note: the value can be zero.

Property Report (2)														
	<input type="checkbox"/>	Trace Number	Status	Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number	Transaction Type	Beginning Inventory	8/8 Production	8/8 Disposition
1	<input checked="" type="checkbox"/>	A16269	Error	11111	Compass Port:		45454	08	0		Original	0.00	0.00	0.00
2	<input checked="" type="checkbox"/>	A16270	Error	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	<input checked="" type="checkbox"/>	A16271	Error	44444	Compass Port:		78787	08	0	29	Original	1000	500	500
4	<input checked="" type="checkbox"/>	A16272	Validated	16161	Compass Port:		25252	08	0		Original	10.00	90.00	90.00

- Use the scroll bar at the bottom of the grid to reveal additional fields to the right. Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “Ending Inventory” field, to enter a value. “Ending Inventory” is the number of barrels on hand at the end of month being reported. This field is required.

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due	University
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	500	500	1000	BBL	0.00		0.0		\$0.00	0.00		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “Your Volume Share” field, to enter a value. For oil products, “Your Volume Share” should equal the “8/8 Disposition” field. This field is required.

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due	University
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	500	500	1000	BBL	500		0.0		\$0.00	0		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “8/8 Notes.” For oil products, a note is only required if there is a discrepancy between “Your Volume Share” and “8/8 Disposition.”

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due	University
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	500	500	1000	BBL	500		0.0		\$0.00	0		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the “API Gravity.” This is the American Petroleum Institute gravity of production sold or otherwise disposed. The value must be between 22.4 and 80.6. This field is required.

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due	University
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	500	500	1000	BBL	500		45.7		\$0.00	0		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

11. Select an "Oil Type" from the drop-down.

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due University	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
00	500	500	1000	BBL	500		45.7	Sweet / Intermediate	\$0.00	0		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

12. Select (highlight) with the cursor or use the TAB key to move to the next editable field, the "Market Value." This is the value for which "Your Volume Share" was sold.

Property Report (2)													
Beginning Inventory	B/B Production	B/B Disposition	Ending Inventory	UOM	Your Volume Share	B/B Notes	API Gravity	Oil Type	Market Value	Price	Royalty Percentage	Royalty Due University	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00	
00	500	500	1000	BBL	500		45.7	Sweet / Intermediate	\$50,000.00	100		\$0.00	
00	90.00	90.00	10.00	BBL	90.00		45.7	Sweet / Intermediate	\$9,000.00	0.00	25.000000 %	\$2,250.00	

13. The "Price" field is automatically populated. For a unitized property, the "Royalty Percentage" is not displayed, and the "Royalty Due University" field is not editable; it is automatically calculated as a sum of the "Royalty Due University" for each tract plus any unit-level dispositions.

14. Make sure the lease is highlighted in the Property Grid, then navigate to the Disposition Grid by clicking on the "Disposition" tab.

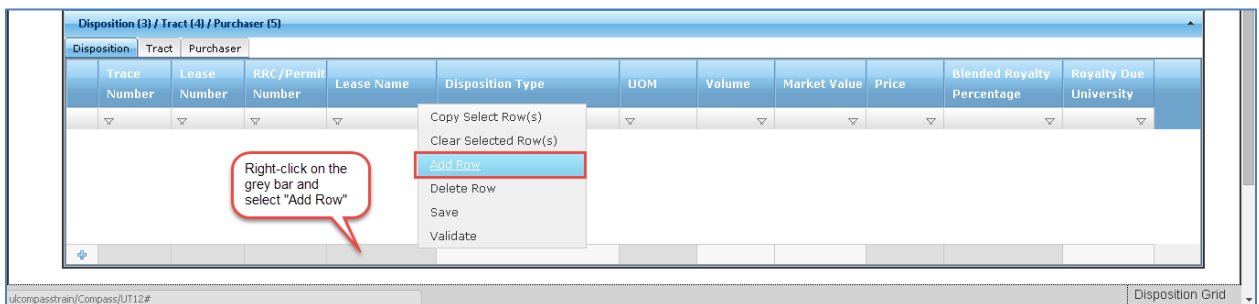
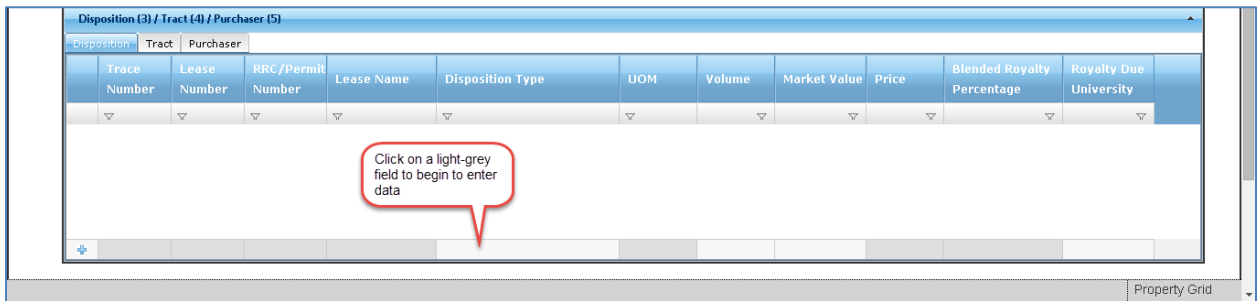
Property Report (2)													
	Trace Number	Status	Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number	Transaction Type	Beginning Inventory	B/B Production	B/B Disposition
1	A16077	Saved	11111	Compass Port:		45454	08	0		Original	9000.00	1000.00	10000.00
2	A16078	New	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	A16079	New	44444	Compass Port:		78787	08	0	29	Original	0.00	0.00	0.00
4	A16080	New	88888	Compass Port:		13579	08	0		Original	0.00	0.00	0.00

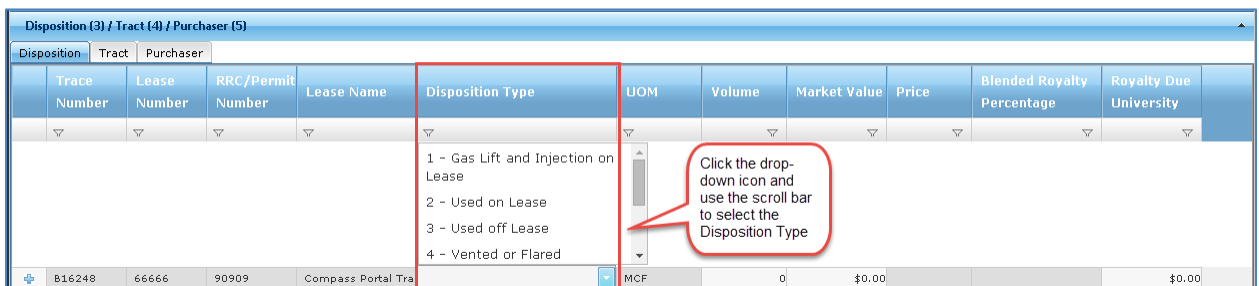
Disposition (3) / Tract (4) / Purchaser (5)													
Disposition	Tract	Purchaser	Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University

Click here to open the "Disposition" tab

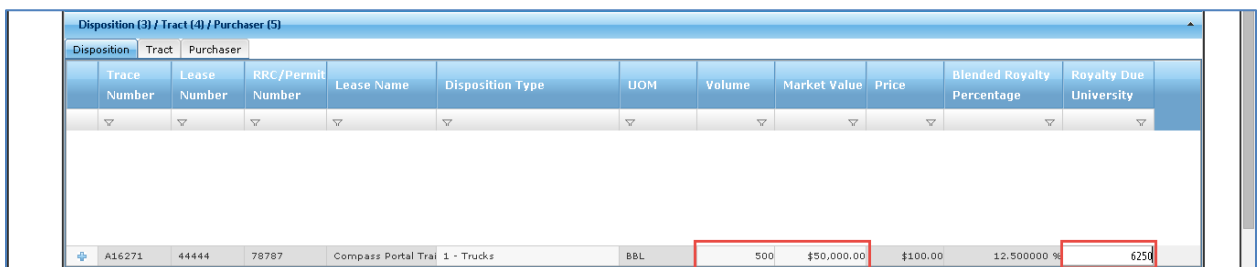
- To add a disposition, either click on a light-grey field in the grey bar at the bottom of the grid or right-click anywhere on the grey bar and select “Add Row” from the drop-down.



- Click the light-grey bar under the “Disposition Type” field heading and select from the Disposition Types in the drop-down menu.



- Enter values in the remaining disposition fields: “Volume,” “Market Value” and “Royalty Due University.” The summation of the “Volume,” “Market Value” and “Royalty Due University” for all dispositions in the Disposition Grid should tie to the selected Property Grid.



18. After entering a value in the last field, press the “Enter” key to move the row of data from the grey bar into the body of the grid. To add additional dispositions, repeat step 15.  
Note: you may enter multiple dispositions per lease.

Disposition (3) / Tract (4) / Purchaser (5)											
Disposition	Tract	Purchaser									
Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University	
1	B16228	12121	98320	Compass Portal Tr: 2 - Used on Lease	MCF	10000	\$100,000.00	\$10.00	12.500000 %	\$12,500.00	

After pressing the "Enter" key, the row of data moves from the grey bar into the body of the grid

19. Navigate to the Tract Grid by clicking on the “Tract” tab. Note: the tracts are pre-populated.

Disposition (3) / Tract (4) / Purchaser (5)												
Disposition	Tract	Purchaser										
Trace Number	Lease Number	RRC/Perm Number	Lease Name	Tract Number	Tract Leas Number	Tract Perm Number	Tract RRC Number	Production Dispositio	Tract Participation Factor	Market Value	Royalty Percentage	Royalty Due University
1	A16271	44444	78787	Compass Portal Tr: 0011	44444		78787	500.00	50.000000 %	\$0.00	12.500000 %	\$0.00
2	A16271	44444	78787	Compass Portal Tr: 0010	44444		78787	500.00	50.000000 %	\$0.00	12.500000 %	\$0.00

Click here to open the "Tract" grid.

These fields are pre-populated with tract data.

20. Select (highlight) with the cursor the “Market Value” field on the first Tract row to enter a value. This is the value for which the production volumes were sold, applicable to the tract. This value should be the portion of the property-level “Market Value” allocated to the tract, according to the “Tract Participation Factor.”

Disposition (3) / Tract (4) / Purchaser (5)												
Disposition	Tract	Purchaser										
Trace Number	Lease Number	RRC/Perm Number	Lease Name	Tract Number	Tract Leas Number	Tract Perm Number	Tract RRC Number	Production Dispositio	Tract Participation Factor	Market Value	Royalty Percentage	Royalty Due University
1	A16271	44444	78787	Compass Portal Tr: 0011	44444		78787	500.00	50.000000 %	\$25,000.00	12.500000 %	\$0.00
2	A16271	44444	78787	Compass Portal Tr: 0010	44444		78787	500.00	50.000000 %	\$25,000.00	12.500000 %	\$0.00

- Select (highlight) with the cursor the “Royalty Due University” field on the first tract row to enter a value. This value must equal the “Market Value” of the tract multiplied by the tract “Royalty Percentage.”

	Tract Number	Lease Number	RRC/Perm Number	Lease Name	Tract Number	Tract Leas Number	Tract Perm Number	Tract RRC Number	Production Dispositior	Tract Participation Factor	Market Value	Royalty Percentage	Royalty Due University
1	A16271	44444	78787	Compass Portal Ti	0011	44444		78787	500.00	50.000000 %	\$25,000.00	12.500000 %	\$3,125.00
2	A16271	44444	78787	Compass Portal Ti	0010	44444		78787	500.00	50.000000 %	\$25,000.00	12.500000 %	\$3,125.00

- Repeat steps 20 and 21 for each tract.

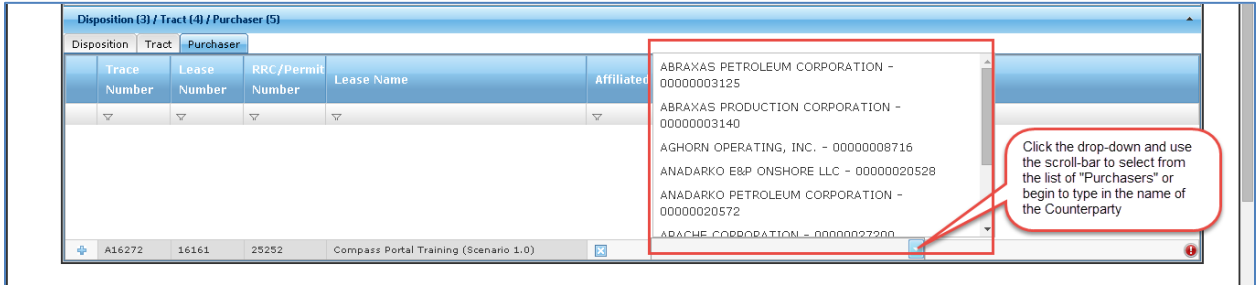
- Navigate to the Purchaser Grid by clicking on the “Purchaser” tab.

Tract Number	Lease Number	RRC/Permit Number	Lease Name	Affiliated	Purchaser	Payor

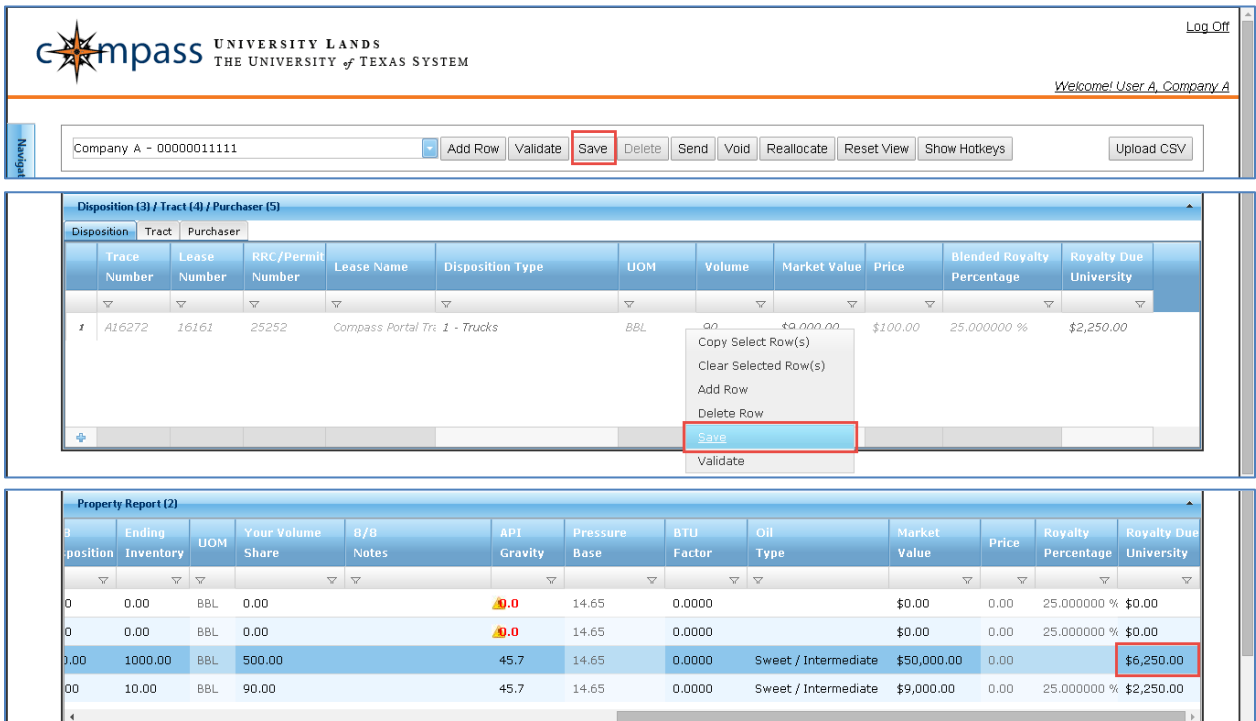
- To add a purchaser, either click on a light-grey field in the grey bar at the bottom of the grid or right-click anywhere on the grey bar and select “Add Row” from the drop-down.

Tract Number	Lease Number	RRC/Permit Number	Lease Name	Affiliated	Purchaser	Payor

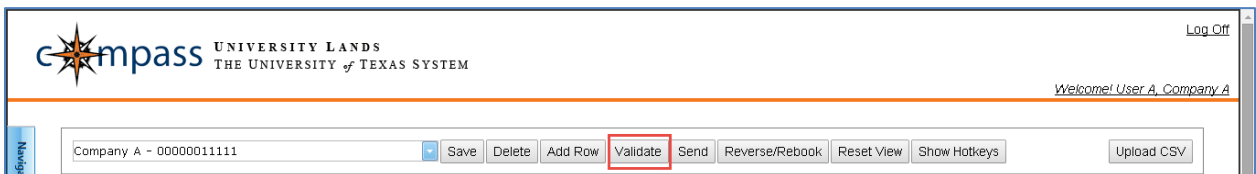
25. Click the light-grey bar under the “Purchaser” field heading and select from the counterparties in the drop-down menu. To select a Counterparty that does not readily appear on the drop-down, type in the name of the Counterparty and the results in the drop-down filters accordingly. Repeat to select a “Payor.” Indicate if the two counterparties are affiliated by checking or unchecking the box in the “Affiliated” field. After entering a value in the last field, press the ENTER key to move the row of data from the grey bar into the body of the grid. To add additional purchasers, repeat step 24.



26. Save the entries made in the grids by either pressing the “Save” toolbar button or right-click over a row of data in any grid and select “Save” from the drop-down. Upon saving, the property-level “Royalty Due University” is calculated by the system and displayed.



27. Validate the record by pressing the “Validate” toolbar button.





28. If the record returns a status of “Error,” navigate through the grids to identify the errors by hovering over the Error or Warning icon. Any errors prevent the record from validating and sending.

- For example, an error message displays if the “Ending Inventory” does not equal “Beginning Inventory” + “8/8 Production” – “8/8 Disposition.”

The screenshot shows a table with columns: Beginning Inventory, 8/8 Production, 8/8 Disposition, Ending Inventory, UOM, Your Volume Share, 8/8 Notes, API Gravity, Oil Type, Market Value, Price, Royalty Percentage, and Royalty Due University. The last row is highlighted in blue and contains the values: 90.00, 90.00, 90.00, 5, BBL, 80, 45.7, Sweet / Intermediate, \$9,000.00, 112.5, 25.000000%, and \$2,250.00. A warning icon (yellow triangle) is next to the '5' in the Ending Inventory column, and an error icon (red circle with an 'x') is next to the 'BBL' in the UOM column. Callouts explain: 'Warning icon does NOT prevent validating and sending', 'Error icon prevents validating and sending until corrected', and 'Hover the cursor over the icon to reveal the Error or Warning message'. A status bar at the bottom reads: '8/8 Notes is required because Your Volume Share does not equal 8/8 Disposition'.

29. When the Validation process completes with no errors, click on the checkbox field to the left of the Property Record to Send. If the box is checked, an ‘x’ appears in the field, indicating the record is selected to Send.

The screenshot shows a table with columns: Trace Number, Status, Lease Number, Lease Name, Permit Number, RRC Number, RRC District, RRC Type, Unit Number, Transaction Type, Beginning Inventory, 8/8 Production, and 8/8 Disposition. The fourth row is highlighted in blue and contains the values: 1, A16272, Validated, 16161, Compass Portal Tr, 25252, 08, 0, 29, Original, 10.00, 90.00, and 90.00. A checkbox in the first column of this row is checked. A callout points to the checkbox with the text: 'Check this box to select all properties in the grid in a Validated status'. Below the table is a section for 'Disposition (3) / Tract (4) / Purchaser (5)' with a sub-table containing one row: 1, A16272, 16161, 25252, Compass Portal Tr 1 - Trucks, BBL, 90.00, \$9,000.00, \$100.00, 25.000000%, and \$2,250.00.

30. Click on the “Send” button to send the Property Reports with checked boxes.

The screenshot shows the top of the University Lands system interface. The logo for 'compass UNIVERSITY LANDS THE UNIVERSITY OF TEXAS SYSTEM' is on the left. On the right, there is a 'Log Off' link and a welcome message: 'Welcome! super\_admin, University Lands'. Below the header is a navigation bar with buttons: Add Row, Validate, Save, Delete, Send(1), Void, Reallocate, Reset View, Show Hotkeys, and Upload CSV. A callout points to the 'Send(1)' button with the text: 'The number in parenthesis indicates how many Property Records were selected to "Send"'. The 'Send' button has a small '1' in parentheses next to it.

## Special Scenarios

### 1. How to Calculate the UL Participation in Unit

This column only appears in the Tract Grid if University Lands' participation in the unit across all tracts does not equal 100%. It is calculated as the summation of each "Tract Participation Factor" in the Tract Grid.

Formula:

UL Participation in Unit = "Tract Participation Factor" for Tract 01 + "Tract Participation Factor" for Tract 02.

Tract Number	Tract Participation Factor
01	0.978760
02	0.467310
<b>UL Participation in Unit:</b>	<b>1.446070</b>

### 2. How to Calculate the Grossed Up Tract Participation Factor

This column only appears in the Tract Grid when the sum of each "Tract Participation Factor" among all tracts that appear in the grid does not equal one (1).

Formula:

Grossed Up Tract Participation Factor = "Tract Participation Factor" / "UL Participation in Unit"

Tract Number	Tract Participation Factor	Grossed Up Tract Participation Factor
01	0.978760	0.978760 / 1.446070 = <b>68.0000</b>
02	0.467310	0.467310 / 1.446070 = <b>32.0000</b>
	<b>1.446070</b>	<b>100.00</b>

### 3. How to Calculate the Blended Royalty Percentage

The Blended Royalty Percentage is a weighted royalty percentage for all tracts. See the example below which shows the calculated "Blended Royalty Percentage" of 0.1275 for a unit with two tracts. The "Royalty Due University" for each tract is calculated by multiplying the "Blended Royalty Percentage" with the tract "Market Value."

Formula:

Blended Royalty Rate = (Tract 01 Participation Factor x Tract 01 Royalty Percentage) + (Tract 02 Participation Factor x Tract 02 Royalty Percentage) / Number of Tracts (2)

Tract Number	Tract Participation Factor	Market Value	Royalty %	Royalty Due UL	Blended Royalty
01	5.90730	\$10.15	0.1666667	\$1.69166700	0.984550197
02	94.09270	\$261.73	0.125	\$32.71625	11.7615875
		271.88		34.40791701	<b>0.127461376969</b>