

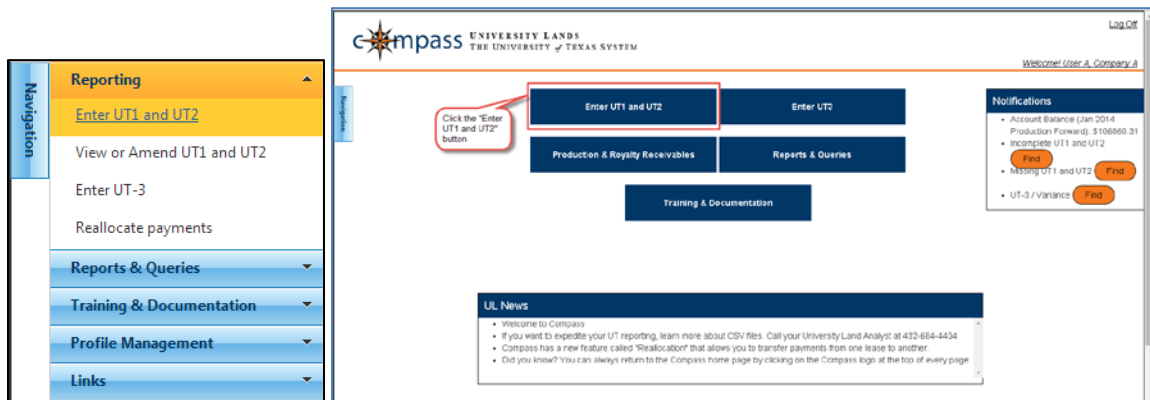
This resource guides you through the process of completing (entering data, validating, and submitting) a simple UT2 (Gas Royalty Report) unit with tracts in the Compass Portal.

## How to Complete a UT2 (Gas Unit Example)

Gas Royalty Payments must be deposited on or before the 15th 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.

File a separate UT2 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 UT2 (Gas 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 “Navigate” button on the left-hand side of the screen and select “Reporting” > “Enter UT1 and UT2.”



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

The screenshot shows the 'Enter UT1 and UT2' page. At the top, there is a search bar with 'Company A - 00000011111' and buttons for 'Save', 'Delete', 'Add Row', 'Validate', 'Send', 'Reverse/Rebook', 'Reset View', 'Show Hotkeys', and 'Upload CSV'. Below the search bar is a table titled 'UT1 and UT2 Header (1)'. The table has the following columns: Company Number, Company Name, Status, Production Date, and Product. The first row is highlighted in red.

Company Number	Company Name	Status	Production Date	Product
00000011111	Company A	Incomplete	11/2011	Gas
29 00000011111	Company A	Incomplete	12/2011	Gas
30 00000011111	Company A	Incomplete	01/2012	Gas
31 00000011111	Company A	Incomplete	02/2012	Gas
32 00000011111	Company A	Incomplete	03/2012	Gas

- Select (highlight) the 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	8/8 Production	UOM	Your Volume Share
1	<input type="checkbox"/>	B16225	New	55555	Compass Port:		89898	08	0		Original	0.00	MCF	0.00
2	<input type="checkbox"/>	B16226	New	66666	Compass Port:		90909	07C	0		Original	0.00	MCF	0.00
3	<input type="checkbox"/>	B16227	New	77777	Compass Port:		24680	08	0		Original	0.00	MCF	0.00
4	<input type="checkbox"/>	B16228	New	12121	Compass Port:		98320	08	0	29	Original	0.00	MCF	0.00

- Select (highlight) the "8/8 Production" field to enter a value. 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	8/8 Production	UOM	Your Volume Share
1	<input type="checkbox"/>	B16225	New	55555	Compass Port:		89898	08	0		Original	0.00	MCF	0.00
2	<input type="checkbox"/>	B16226	New	66666	Compass Port:		90909	07C	0		Original	0.00	MCF	0.00
3	<input type="checkbox"/>	B16227	New	77777	Compass Port:		24680	08	0		Original	0.00	MCF	0.00
4	<input type="checkbox"/>	B16228	New	12121	Compass Port:		98320	08	0	29	Original	10000	MCF	0.00

- 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 Gas products, "Your Volume Share" should equal the "8/8 Production" field.

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	8/8 Production	UOM	Your Volume Share
1	<input type="checkbox"/>	B16225	New	55555	Compass Port:		89898	08	0		Original	0.00	MCF	0.00
2	<input type="checkbox"/>	B16226	New	66666	Compass Port:		90909	07C	0		Original	0.00	MCF	0.00
3	<input type="checkbox"/>	B16227	New	77777	Compass Port:		24680	08	0		Original	0.00	MCF	0.00
4	<input type="checkbox"/>	B16228	New	12121	Compass Port:		98320	08	0	29	Original	10000	MCF	10000

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

Property Report (2)													
RRC District	RRC Type	Unit Number	Transaction Type	8/8 Production	UOM	Your Volume Share	8/8 Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	0		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
07C	0		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	0		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	0	29	Original	10000	MCF	10000		14.65	0.0000	\$0.00		\$0.00	

- "Pressure Base" is a read-only field which defaults to a value of 14.65.

- Select (highlight) with the cursor or use the TAB key to move to the next editable field, the "BTU Factor." The "BTU Factor" is the factor used to convert between MCF and MMBTU. The value must be between 0.1 and 1.9999. Note: it is not necessary to enter the trailing zeroes if the value does not have four decimals.

Property Report (2)													
RRC District	RRC Type	Unit Number	Transaction Type	8/8 Production	UOM	Your Volume Share	8/8 Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
07C	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o	29	Original	10000	MCF	10000		14.65	1.25	\$0.00		\$0.00	

- 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)													
RRC District	RRC Type	Unit Number	Transaction Type	8/8 Production	UOM	Your Volume Share	8/8 Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
07C	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o	29	Original	10000	MCF	10000		14.65	1.25	\$100,000.00		\$0.00	

- 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.

- 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)													
RRC District	RRC Type	Unit Number	Transaction Type	8/8 Production	UOM	Your Volume Share	8/8 Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
07C	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o		Original	0.00	MCF	0.00		14.65	0.0000	\$0.00	25.000000 %	\$0.00	
08	o	29	Original	10000	MCF	10000		14.65	1.25	\$100,000.00		\$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" grid.

- 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.

Disposition (3) / Tract (4) / Purchaser (5)

Disposition	Tract	Purchaser				
Trace Number	Lease Number	RRC/Permit Number	Lease Name	Affiliated	Purchaser	Payer
▼	▼	▼	▼	▼	▼	▼

Click on the light-grey field to begin entering data

Disposition (3) / Tract (4) / Purchaser (5)

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University
▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

Right-click on the grey bar and select "Add Row"

- Copy Select Row(s)
- Clear Selected Row(s)
- Add Row**
- Delete Row
- Save
- Validate

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

Disposition (3) / Tract (4) / Purchaser (5)

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University
▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

Click the drop-down icon and use the scroll bar to select the Disposition Type

- 1 - Gas Lift and Injection on Lease
- 2 - Used on Lease
- 3 - Used off Lease
- 4 - Vented or Flared

- Enter values in the remaining disposition fields: "Volume," "Market Value," and "Royalty Due University." For gas, the summation of the "Market Value" and "Royalty Due University" for all dispositions in the Disposition Grid should equal the amounts in the selected in the Property Grid record.

Disposition (3) / Tract (4) / Purchaser (5)

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University
▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
B16228	12121	98320	Compass Portal Tra	2 - Used on Lease	MCF	10000	\$100,000.00	\$10.00	12.500000 %	12500

- 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 12.

Disposition (3) / Tract (4) / Purchaser (5)											
Disposition			Tract		Purchaser						
Tract Number	Lease Number	RRC/Perm 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

- 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							
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	B16228	12121	98320	Compass Portal Tr	0010	12121	98320	0.00	50.000000 %	\$0.00	12.500000 %	\$0.00
2	B16228	12121	98320	Compass Portal Tr	0011	12121	98320	0.00	50.000000 %	\$0.00	12.500000 %	\$0.00

- 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.”

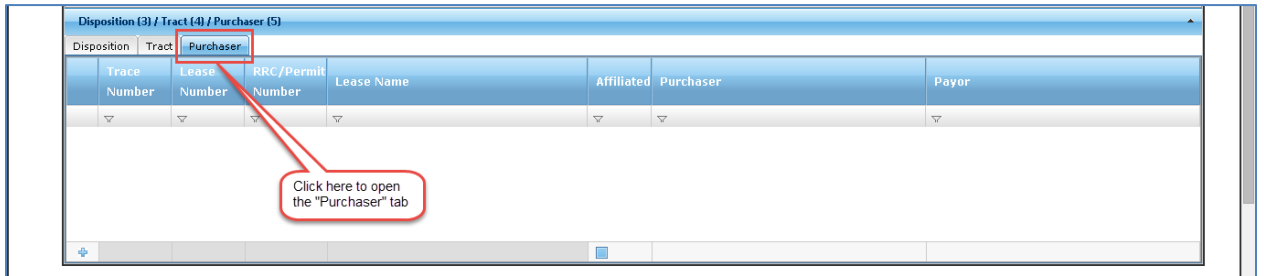
Disposition (3) / Tract (4) / Purchaser (5)												
Disposition			Tract		Purchaser							
Tract Number	Lease Number	RRC/Perm Number	Lease Name	Tract Number	Tract Leas Number	Tract Perm Number	Tract RRC Number	Production Dispositior	Tract Participation Factor	Market Value	Royalty Percentage	Royalty Due University
1	B16228	12121	98320	Compass Portal Tr	0010	12121	98320	0.00	50.000000 %	\$50,000.00	12.500000 %	\$0.00
2	B16228	12121	98320	Compass Portal Tr	0011	12121	98320	0.00	50.000000 %	\$50,000.00	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.”

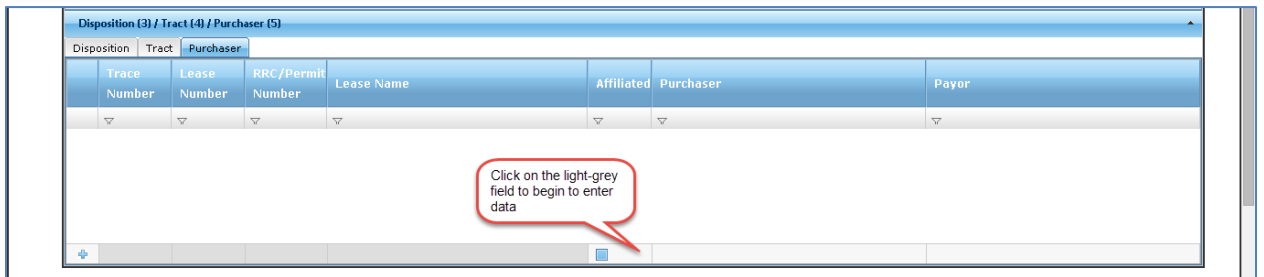
Disposition (3) / Tract (4) / Purchaser (5)												
Disposition			Tract		Purchaser							
Tract Number	Lease Number	RRC/Perm Number	Lease Name	Tract Number	Tract Leas Number	Tract Perm Number	Tract RRC Number	Production Dispositior	Tract Participation Factor	Market Value	Royalty Percentage	Royalty Due University
1	B16228	12121	98320	Compass Portal Tr	0010	12121	98320	0.00	50.000000 %	\$50,000.00	12.500000 %	\$6,250.00
2	B16228	12121	98320	Compass Portal Tr	0011	12121	98320	0.00	50.000000 %	\$50,000.00	12.500000 %	\$6,250.00

19. Repeat steps 17 and 18 for each tract.

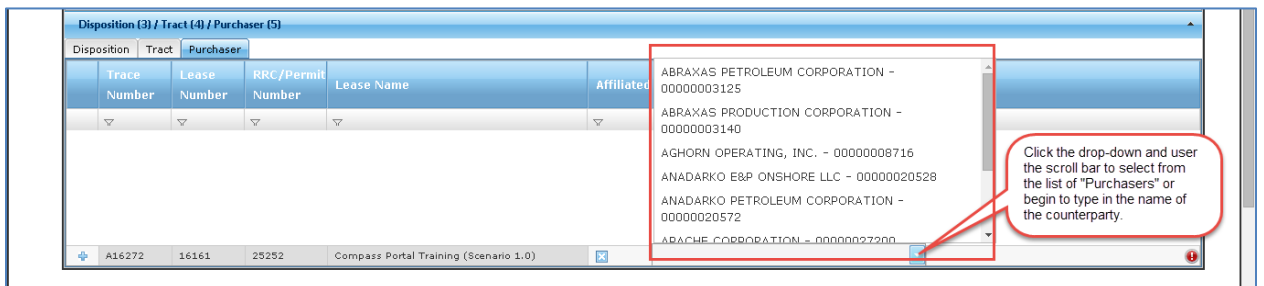
20. Navigate to the Purchaser Grid by clicking on the "Purchaser" tab.



21. 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.



22. 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 filter 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 21.



23. 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.

The screenshot shows the Compass University Lands interface. At the top, there is a navigation bar with the company name and a toolbar containing buttons for 'Add Row', 'Validate', 'Save', 'Delete', 'Send', 'Void', 'Reallocate', 'Reset View', 'Show Hotkeys', and 'Upload CSV'. The 'Save' button is highlighted with a red box. Below the toolbar is a grid titled 'Disposition (3) / Tract (4) / Purchaser (5)'. A context menu is open over a row, with the 'Save' option highlighted in blue. Below this is another grid titled 'Property Report (2)'. The 'Royalty Due University' column in the last row of this grid is highlighted with a red box, showing a value of \$12,500.00.

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

The screenshot shows the Compass University Lands interface. The toolbar contains buttons for 'Save', 'Delete', 'Add Row', 'Validate', 'Send', 'Reverse/Rebook', 'Reset View', 'Show Hotkeys', and 'Upload CSV'. The 'Validate' button is highlighted with a red box.

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

- For example, an error message displays if the “Your Volume Share” value does not equal the “8/8 Production” value and the “8/8 Notes” field remains blank.

The screenshot shows the Compass University Lands interface. The 'Property Report (2)' grid is displayed. Several rows have warning (yellow triangle) and error (red circle with exclamation mark) icons. Callouts provide the following information:
 

- 'Warning icon does NOT prevent validating and sending'
- 'Error icon prevents validating and sending until corrected'
- 'Hover the cursor over the icon to reveal the Error or Warning message'
- '8/8 Notes is required because Your Volume Share does not equal 8/8 Disposition'

26. 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.

	<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 type="checkbox"/>	16269	Error	11111	Compass Port:		45454	08	0		Original	0.00	0.00	0.00
2	<input type="checkbox"/>	16270	Error	22222	Compass Port:		56565	08	0		Original	0.00	0.00	0.00
3	<input type="checkbox"/>	16271	Error	44444	Compass Port:		78787	08	0	29	Original	0.00	0.00	0.00
4	<input checked="" type="checkbox"/>	A16272	Validated	16161	Compass Portai		25252	08	0		Original	10.00	90.00	90.00

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	A16272	16161	25252	Compass Portal Ti	1 - Trucks	BBL	90.00	\$9,000.00	\$100.00	25.000000 %	\$2,250.00		

27. Click on the "Send" button to send the property reports with checked boxes that have been validated in the property grid.

compass UNIVERSITY LANDS THE UNIVERSITY of TEXAS SYSTEM

Log Off

Welcome! super\_admin, University Lands

Add Row Validate Save Delete **Send(1)** Void Reallocate Reset View Show Hotkeys Upload CSV



## 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>