

This resource guides you through the process of completing (entering data, validating, and submitting) a UT3 Reallocation (a Royalty Payment Reallocation with a ZERO net balance).

How to Complete a UT3 Reallocation

In the event a reporter needs to correct a prior UT3 submission that has already matched to the payment or reallocate prior payments for any reason the reporter can now submit a Reallocation. Reporters can submit reallocations via a special process similar to a UT3. Reallocations do not usually incur penalty and interest because the reporter is reallocating funds previously paid and no additional payments are being made. The reporter creates a Reallocation Header with zeroes in the Total Oil Royalty and Total Gas Royalty Amount fields, and then adds Check Details reallocating money from one property combo to another or from one production month to another. **The reallocation cannot be between products.** If this type of reallocation is needed, University Lands' staff must be contacted.

UT3 reporters may reallocate funds provided the following conditions are met:

1. The record sums to 0 by product.
2. Each entry does not bring the royalties for a specific combo/product/production month below 0.

Please follow these guidelines to submit a UT3 Reallocation (Royalty Payment Reallocation):

1. From the Compass Landing Page, navigate to the "Enter UT3" page by clicking on the Compass Portal button or click the "Navigate" button on the left-hand side of the screen and select "Reporting" > "Enter UT3" OR "Reallocate Payments."

The screenshot displays the Compass portal interface for University Lands, The University of Texas System. The main navigation area features several buttons: "Enter UT1 and UT2", "Enter UT3" (highlighted with a red box), "Production & Royalty Receivables", "Reports & Queries", and "Training & Documentation". A callout box points to the "Enter UT3" button with the text "Click the 'Enter UT3' button". On the right, a "Notifications" panel lists items like "Account Balance (Jan 2014)", "Production Forward: \$106860.31", "Incomplete UT1 and UT2", "Missing UT1 and UT2", and "UT-3 / Variance", each with a "Find" button. Below the main interface, a "Navigation" dropdown menu is shown, with "Reporting" expanded to reveal "Enter UT-3" (highlighted with a red box), "Reallocate payments", "Reports & Queries", "Training & Documentation", "Profile Management", and "Links".

2. When the UT3 header pane opens, select a Company name from the dropdown.

3. Create a Header row. The UT3 Header is the first record an operator or purchaser enters when ready to report monthly royalties. Choose one of the following three methods to do so:
 - Press the “Add Row” toolbar button to add a row to the Header Grid.
 - Right-click on the dark-grey portion of the bottom of the grid and select "Add Row" from the drop-down.
 - Click on the light-grey portion of the bottom row.

The screenshot shows the 'Compass' interface for 'UNIVERSITY LANDS THE UNIVERSITY of TEXAS SYSTEM'. At the top right, there is a 'Log Off' link and a welcome message: 'Welcome! super_admin, University Lands'. Below the header, there is a toolbar with buttons: 'Add Row', 'Validate', 'Save', 'Delete', 'Send', 'Void', 'Reallocate', 'Reset View', 'Show Hotkeys', and 'Upload CSV'. The main area contains a table titled 'UT3 Header (1)'. The table has columns: 'Company Number', 'Company Name', 'Trace Number', 'Status', 'Total Oil Royalty Amount', and 'Total Gas Royalty Amount'. Below the table, there is a 'Check Detail (2)' button. Three callouts are present: one pointing to the 'Add Row' button with the text 'Press "Add Row" to create a UT3 Header record.', one pointing to the dark-grey bottom of the table with the text 'OR right-click on the dark-grey portion of the bottom row and select "Add Row" from the drop-down to add a new row.', and one pointing to the light-grey bottom row with the text 'OR click on the light-grey portion of the bottom row to add a new row.'.

4. Enter zero as the “Total Oil Royalty Amount” and “Total Gas Royalty Amount.” Upon sending, the summation of all oil royalties paid in the detail lines must sum to zero and the summation of all gas royalties paid in the detail lines must sum to zero. The total amount for either product cannot be negative.

This screenshot shows the same 'Compass' interface as the previous one. The 'UT3 Header (1)' table now has one row. The 'Total Oil Royalty Amount' and 'Total Gas Royalty Amount' columns for this row are highlighted with a red box and contain the value '0'. The rest of the interface, including the toolbar and navigation elements, remains the same.


UNIVERSITY LANDS
 THE UNIVERSITY of TEXAS SYSTEM

Log Off

Welcome! super_admin, University Lands

Navigation

Add Row Validate Save Delete Send Void Reallocate Reset View Show Hotkeys Upload CSV

UT3 Header (1)						
<input type="checkbox"/>	Company Number	Company Name	Trace Number	Status	Total Oil Royalty Amount	Total Gas Royalty Amount
<i><input type="checkbox"/></i>	<i></i>	<i></i>	<i></i>	<i></i>	<i></i>	<i></i>
<i><input type="checkbox"/></i>	<i>00000011111</i>	<i>Company A</i>	<i></i>	<i>New</i>	<i>0</i>	<i></i>

Check Detail (2)

- After entering the values in the Header fields, press the ENTER key to move the row of data from the grey bar into the body of the grid. Before saving, this row of data is in italics, after pressing "Save" the row changes from italics to standard text.


UNIVERSITY LANDS
 THE UNIVERSITY of TEXAS SYSTEM

Log Off

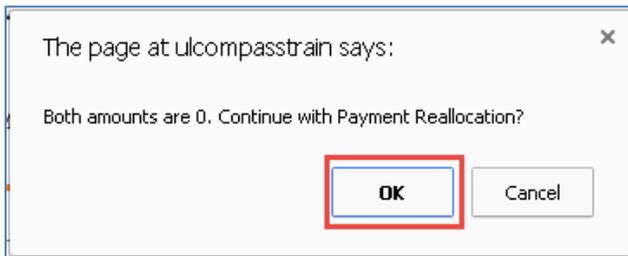
Welcome! User A, Company A

Navigation

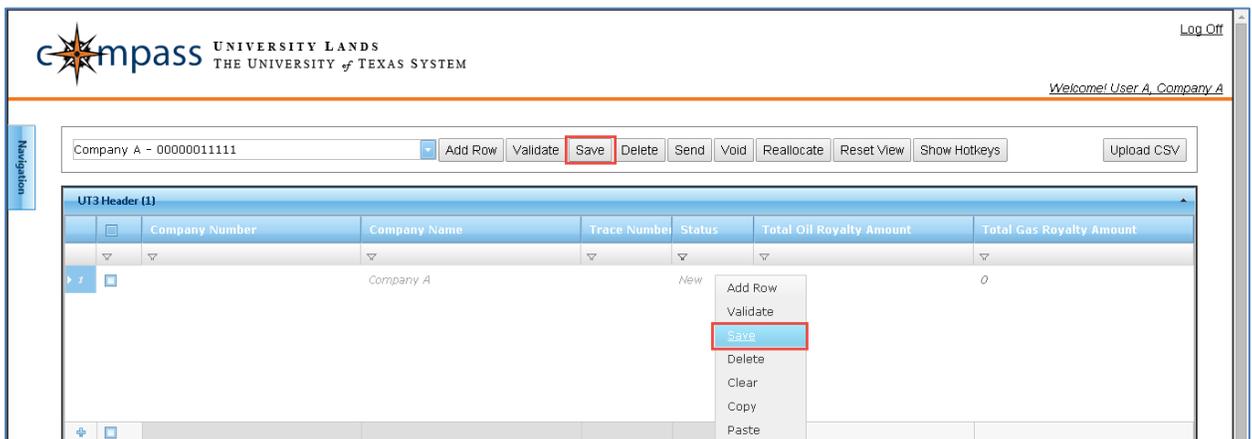
Add Row Validate Save Delete Send Void Reallocate Reset View Show Hotkeys Upload CSV

UT3 Header (1)						
<input type="checkbox"/>	Company Number	Company Name	Trace Number	Status	Total Oil Royalty Amount	Total Gas Royalty Amount
<input type="checkbox"/>	00000011111	Company A		New	0	0

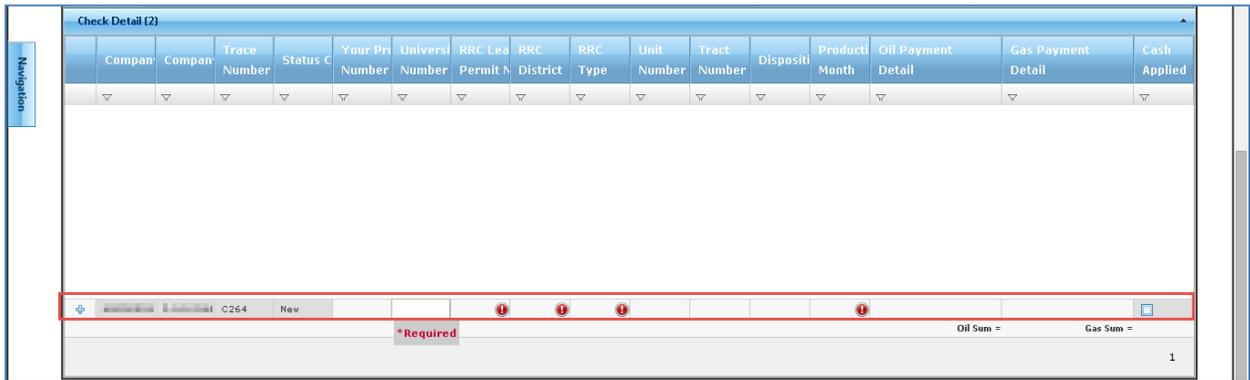
6. After saving and if both the Total Oil & Total Gas fields are zero the user will see this pop-up box. Press “Ok” to continue with the Reallocation.



7. Save the Header by either pressing the “Save” toolbar button, or right-click when cursor is positioned in one of the fields in the header row and select “Save” from the drop-down. If the header is not saved and the user proceeds to enter check details, those check details are not saved.



8. Create a Check Detail row to identify the property combo, production month, and amount to deduct from a previously overpaid UT3. You cannot move money that was not previously paid, nor between products. Make sure the Header row is selected (highlighted) with the cursor to expand the Check Details Grid. The Check Detail screen is used to detail the royalties due by unique UT Lease / RRC Lease or Permit number / District / RRC Type/ Unit Number / Tract Number / Production Month combination. Choose one of the three following methods to do so:
 - Press the “Add Row” toolbar button to add a row to the Check Detail Grid.
 - Right-click on the dark-grey portion of the bottom of the grid and select "Add Row" from the drop-down.
 - Click on the light-grey portion of the bottom row.



9. Enter “Your Property Number.” This field is optional; it can be used by Reporters as an internal identifier for a property.
10. Select (highlight) with the cursor, or use the TAB key to move to the next editable field. Enter the “University Lease Number.” Any Company/Purchaser can submit a UT3 on for any other Company’s properties as long as the Company submitting the UT3 is also the Payor who submitted the payment. However, the payments are only applied to the property if the Counterparty specifies the third-party purchaser on their UT1 or UT2 report.
11. Enter the “RRC Lease / Permit Number.” This is the identifying number issued by the Railroad Commission. The permit number is used until the RRC Lease Number is assigned. Once the RRC Lease Number is assigned, you must notify University Lands and begin reporting with the RRC Lease Number.
12. Enter the “RRC District.” This is the district code assigned by the Railroad Commission
13. Enter the “RRC Type.” Note: this is not the Product Type which you are reporting. This is the Railroad Commission’s designation of the well “type” as either Oil well or Gas well. Enter “O” for Oil or “G” for Gas.
14. If there is a unit associated with the payment, enter the “Unit Number.”

15. If a Unit Number is entered, either a tract number must be entered, or a unit-level disposition must be selected from the drop-down menu. The following unit-level disposition types are options:
 - 5 – Lost
 - 8 – Skim Oil
 - 9 – Scrubber Oil
 - 4 – Vented or Flared

16. Enter the production date in the field titled “Production Month.” The format is *mmyyyy*. If the month and year entered is greater than T-2, a field warning displays. This is just to remind you that you are not reporting on the typical reporting month but it is acceptable to include prior months’ payments on a reallocation UT3.

17. Enter the oil payment amount for that property in the “Oil Payment Detail” field. The check detail for the property from which money is being removed is a negative value. Each row can only have either an Oil Payment Detail or a Gas Payment Detail. Enter values with maximum two decimals.

18. If you did not enter an “Oil Payment” amount, enter the “Gas Payment” amount for that property. The check detail for the property from which money is being reversed is a negative value. Each row can only have either an Oil Payment Detail or a Gas Payment Detail. Enter values with maximum two decimals.

19. 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 check details to identify the properties to which the money applies or to reverse additional prior payments, repeat steps 8 thru 18.

20. Save the entries made in the grid by either pressing the “Save” toolbar button, or right-click when cursor is positioned in one of the fields in the header row and select “Save” from the drop-down.

	Compan	Compan	Trace Number	Status C	Your Pri Number	Universi Number	RRC Lea Permit N	RRC District	RRC Type	Unit Number	Tract Number	Dispositi	Producti Month	Oil Payment Detail	Gas Payment Detail	Cash Applied
1	0000001	Company	R314	New		16161	25252	08	0				11/2011	(\$500.00)		<input type="checkbox"/>
2	0000001	Company	R314	New		11111	45454	08	0				12/2011	\$500.00		<input type="checkbox"/>

Oil Sum = \$0.00 Gas Sum =

21. Validate the Header and Check Details by pressing the “Validate” toolbar button.



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

- For example, an error message displays in the Header if the sum of the Oil Payment check details does not equal the “Total Oil Royalty Amount.”

The screenshot shows a software interface with a table titled "UT3 Header (1)". The table has columns: Company Number, Company Name, Trace Number, Status, Total Oil Royalty Amount, and Total Gas Royalty Amount. Below it is a "Check Detail (2)" table with columns: Company, Trace Number, Status, Your Pr Number, Universl Number, RRC Lea Permit N, RRC District, RRC Type, Unit Number, Tract Number, Dispositi, Producti Month, Oil Payment Detail, Gas Payment Detail, and Cash Applied. A red arrow points to an error message in the "Gas Payment Detail" column of the second row: "Reversing amount is not valid for the specified lease combination".

UT3 Header (1)						
	Company Number	Company Name	Trace Number	Status	Total Oil Royalty Amount	Total Gas Royalty Amount
1	00000011111	Company A	R313	Locked	\$0.00	\$0.00
2	00000011111	Company A	R314	Saved	0.00	\$0.00

Check Detail (2)																
	Compan	Compan	Trace Number	Status	Your Pr Number	Universl Number	RRC Lea Permit N	RRC District	RRC Type	Unit Number	Tract Number	Dispositi	Producti Month	Oil Payment Detail	Gas Payment Detail	Cash Applied
1	0000001	Company	R314	Saved	16161	25252	08	0					11/2011	(\$500.00)	\$0.00	
2	0000001	Company	R314	Saved	11111	45454	08	0					12/2011	\$500.00	Reversing amount is not valid for the specified lease combination	

Oil Sum = \$0.00 Gas Sum = \$0.00

23. When the Validation process completes with no errors, click on the “Reallocate” button to send the reports. This button replaces the Send button in the event of a Reallocation of payments between properties or between production months. Reallocated records are instantly “Locked” and become read-only. If a correction is needed, another reallocation will need to be submitted.

The screenshot shows the top of a software interface. The header includes the logo for "University Lands" and "The University of Texas System". Below the header is a navigation bar with a dropdown menu showing "Company A - 00000011111" and buttons for "Add Row", "Validate", "Save", "Delete", "Send", "Void", "Reallocate", "Reset View", "Show Hotkeys", and "Upload CSV". The "Reallocate" button is highlighted with a red box.