This resource guides you through the process of reporting any unit-level dispositions to oil and gas properties, including Skim, Scrubber, Lost, Vented or Flared in the Compass Portal.

## How to Report Skim, Scrubber, Lost, Vented, and Flared Dispositions

Royalties are 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, lost oil, condensate and other oil components. These unit-level dispositions are not allocated to a particular tract; they are reported as additional amounts to the Property Report.

The Oil Disposition Codes applicable to units which does not have to be allocated to tracts are:

- 5 Lost
- 8 Skim Oil
- 9 Scrubber Oil

The Gas Disposition Code applicable to units which do not have to be allocated to tracts is:

- 4 Vented
- 5 Flared

The information displayed in the Disposition Grid is dependent on the selection in the Property Grid. The Disposition Grid provides detail regarding the production volume. Upon validation, the summation of the unit-level dispositions in the Disposition Grid plus the tract volumes equals the "Market Value" and "Royalty Due University" in the Property Grid. As University Lands is paid on wellhead volumes, operators are required to report dispositions for any volumes that are not (and will not be) sold. Please follow these guidelines to report oil or gas unit-level dispositions:

1. Select (highlight) the UT1 or UT2 Header record.

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UT	1 and UT2 Header (1)					
		Company Name	Status		Product	
	V	7	∵ Incomplete	V	\	
	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	
-						

2. Select (highlight) the Property record.

		Trace Number		Lease Number	Lease Name	Permit Number	RRC Number	RRC District	RRC Type	Unit Number			8/8 Production	8/8 Disposition
	$\nabla$	7	8	8	$\nabla$	V	<u>v</u>	V	$\nabla$	$\nabla$	<u>v</u>	<u>\</u>	2	V
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2		A16078	New	22222	Compass Port	ii i	56565	08	0		Original	0.00	0.00	0.00
• 3		A16079	New	4444	Compass Port	ič	78787	08	0	29	Original	0.00	0.00	0.00
4		A16080	New	88888	Compass Port	ië.	13579	08	0		Original	0.00	0.00	0.00

3. Navigate to the Disposition Grid by clicking on the "Disposition" tab.

				Lease Number		Number	Number		Type	Number	Transaction Type	Beginning	8/8 Producti	8/8 ion Disposi	
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2		A16078	New	22222	Compass Po	orta	56565	08	0		Original	0.00	0.00	0.00	
a		A16079	New	44444	Compass Po	orta	78787	08	0	29	Original	0.00	0.00	0.00	
4		A16080	New	88888	Compass Po	orta	13579	08	0		Original	0.00	0.00	0.00	
Dis	sposition position Trac	Tract (4) / Puro	r RRC/P	ermit								Blender	l Royalty	Royalty Due	
Dis Disp	sposition position	(3) / Tract (4) / Pur	chaser (5) er	Ĩ	1					1	-				
Dis	sposition bosition Trac Num	e Lease ber Number	RRC/P	ermit r	Name Dis	position Type	U	ом	Volume	Market Va	ue Price	Blender	l Royalty tage	Royalty Due University	
CI	ick her e "Disp	13) / Tract (4) / Pure Tract Purchase e Lease Number ve to open position" tab	RRC/P Numbe	ermit r Lease ⊽	Name Dis	position Type	V	OM	Volume V	Market Va	ue Price	Blender Percent	d Royalty tage ∵⊽	Royalty Due University V	
CI	sposition Trac Num lick her e "Disp	a) / Tract (4) / Pur- Tract Purchase e Lease Number ⊽ e to open position" tab	RRC/P Numbe	ermit r ⊽	Name Dis	position Type	V	OM	Volume V	Market Va	ue Price	Blender Percent	d Royalty tage ∵⊽	Royalty Due University ⊽	

4. 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.

	Trace Number	Lease Number	RRC/Permit Number		Disposition Type	UOM	Volume			Blended Royalty Percentage		
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*				Click on field to b data	a light-grey egin to enter							
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Disp	position (3) / T osition Trac Trace Number	ract (4) / Purcl st Purchaser Lease Number	haser (5) r RRC/Permit Number	Lease Name	Disposition Type	UOM	Yolume	Market Value	Price	Blended Royalty Percentage	Prop Royalty Due University	perty
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5. Click the light-grey bar under the "Disposition Type" field heading and select from the disposition types in the drop-down menu.

Dis	position (3) / Tr	act (4) / Purch	aser (5)									•
Disp	osition Tract	Purchaser										
	Trace Number	Lease Number	RRC/Permit Number		Disposition Type	цом				Blended Royalty Percentage	Royalty Due University	
	7	▽	▽	$\nabla$	<ul> <li>✓</li> <li>1 - Gas Lift and Injection on Lease</li> <li>2 - Used on Lease</li> <li>3 - Used off Lease</li> <li>4 - Yented or Flared</li> </ul>	⊽ Î	Click the drop down icon an use the scroll to select the Disposition Ty	v d bar ype	77	V	~	
	B16248	66666	90909	Compass Portal Tra		MCF	0	\$0.00			\$0.00	

6. Enter values in the remaining Disposition fields: "Volume," "Market Value," and "Royalty Due University." 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.

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University	
$\nabla$	$\nabla$	$\nabla$	$\nabla$	$\nabla$	$\nabla$	$\nabla$	$\nabla$	$\nabla$	7	$\nabla$	

7. Save the Disposition entry by either pressing the "Save" toolbar button, or right-click and select "Save" from the drop-down.

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Dis	position Trac	t Purchaser								Reve	rse/Rebook
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1	A16263	44444	78787	Compass Por	tal Ti 8 - Skim Oil	BBL	100.00	\$10,000.00	\$100.00	12.500000 %	\$2,500.00

8. Upon saving, the summation of the unit-level dispositions in the Disposition Grid plus the tract volumes sum to populate the "Royalty Due to University" field in the Property Grid.

	ng 8/8		8/8				8/8				Market				Royalty Du
	ry Productio					Share									
	∀	77	7	77	V	V	77		7	V		7	77	7	V
o	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	100.00		100.00 (	0.00	BBL	100.00			45.0	Sweet / Intermedia	te \$10,000	.00	0.00		\$2,500.00
o	0.00		0.00 i	0.00	BBL	0.00			0.0		\$0.00		0.00	25.000000 %	\$0.00
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4 Disp	position (3) / Tra osition Tract Trace Number	act (4) / Pur Purchas Lease Number	chaser (5) er RRC/Perr Number	nit Lease	Name	Disposition Ty	ype	UOM	Volume	Market Value	Price ⊽	Biend Perce	ed Royal ntage	ty Royalty Univers	Due ity ▽
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