

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, and Vented or 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 or 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.

The screenshot shows the Compass portal interface. At the top, there is a navigation bar with the Compass logo and 'UNIVERSITY LANDS THE UNIVERSITY OF TEXAS SYSTEM'. Below this is a search bar containing 'Company A - 00000011111' and several action buttons: Save, Delete, Add Row, Validate, Send, Reverse/Rebook, Reset View, Show Hotkeys, and Upload CSV. The main content area is titled 'UT1 and UT2 Header (1)' and contains a table with the following data:

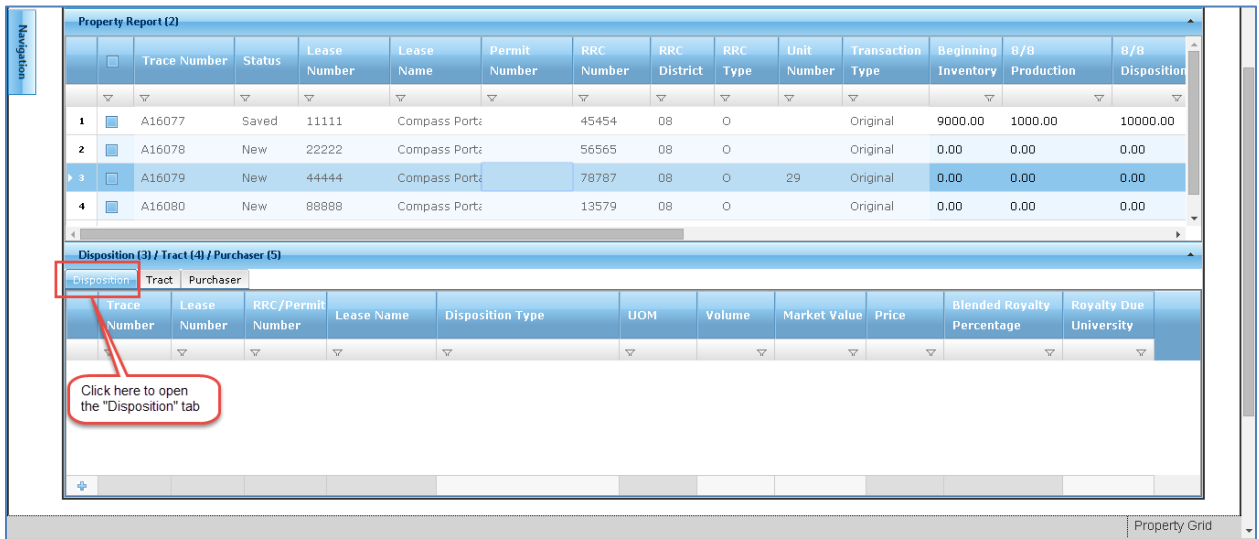
	Company Number	Company Name	Status	Production Date	Product
1	00000011111	Company A	Incomplete	11/2011	Oil
2	00000011111	Company A	Incomplete	12/2011	Oil
3	00000011111	Company A	Incomplete	01/2012	Oil
4	00000011111	Company A	Incomplete	02/2012	Oil
5	00000011111	Company A	Incomplete	03/2012	Oil

2. Select (highlight) the Property record.

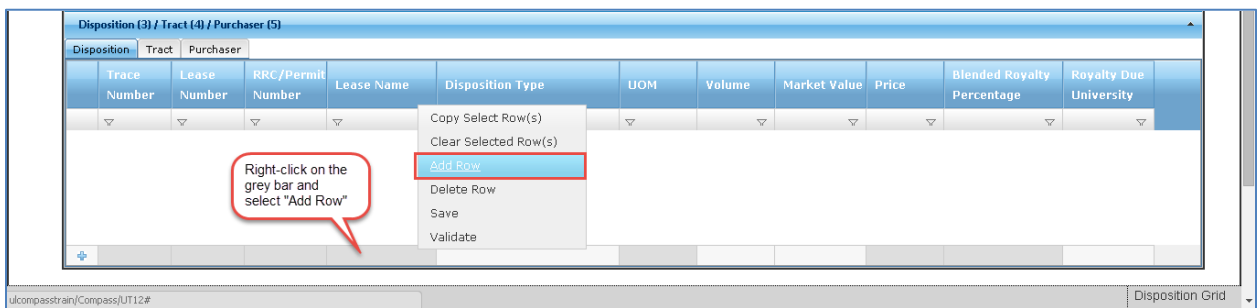
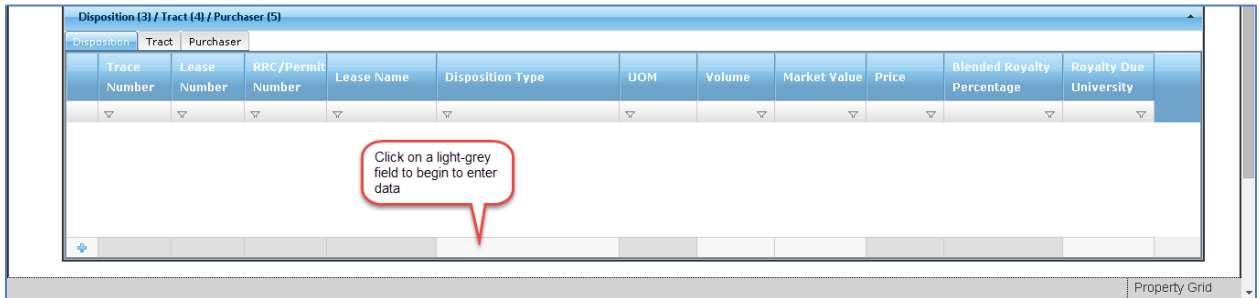
The screenshot shows the Property Report grid. The table has the following data:

	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

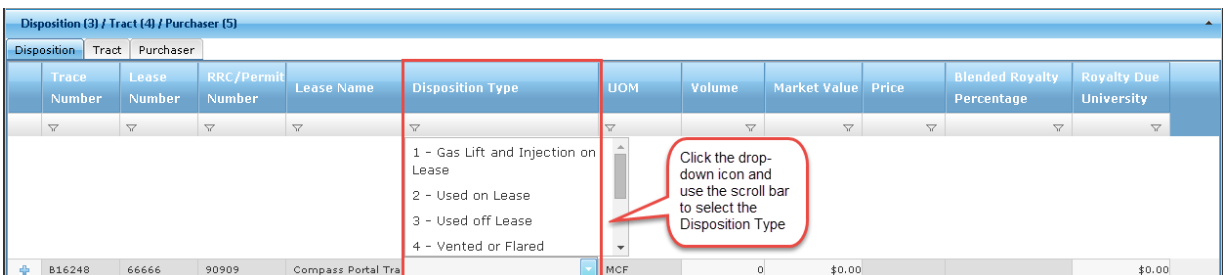
- Navigate to the Disposition Grid by clicking on the “Disposition” tab.



- 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." 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
A16080	88888	13579	Compass Portal Tra	8 - Skim Oil	BBL	0	\$0.00		25.000000 %	\$0.00

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

COMPASS UNIVERSITY LANDS THE UNIVERSITY OF TEXAS SYSTEM

Company A - 00000011111

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

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University	
1	A16263	44444	78787	Compass Portal Ti	8 - Skim Oil	BBL	100.00	\$10,000.00	\$100.00	12.500000 %	\$2,500.00

- 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.

Tract	8/8 Production	8/8 Disposition	Ending Inventory	UOM	Your Volume Share	8/8 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	100.00	100.00	0.00	BBL	100.00		45.0	Sweet / Intermediate	\$10,000.00	0.00		\$2,500.00
0	0.00	0.00	0.00	BBL	0.00		0.0		\$0.00	0.00	25.000000 %	\$0.00

Trace Number	Lease Number	RRC/Permit Number	Lease Name	Disposition Type	UOM	Volume	Market Value	Price	Blended Royalty Percentage	Royalty Due University	
1	A16263	44444	78787	Compass Portal Ti	8 - Skim Oil	BBL	100.00	\$10,000.00	\$100.00	12.500000 %	\$2,500.00