

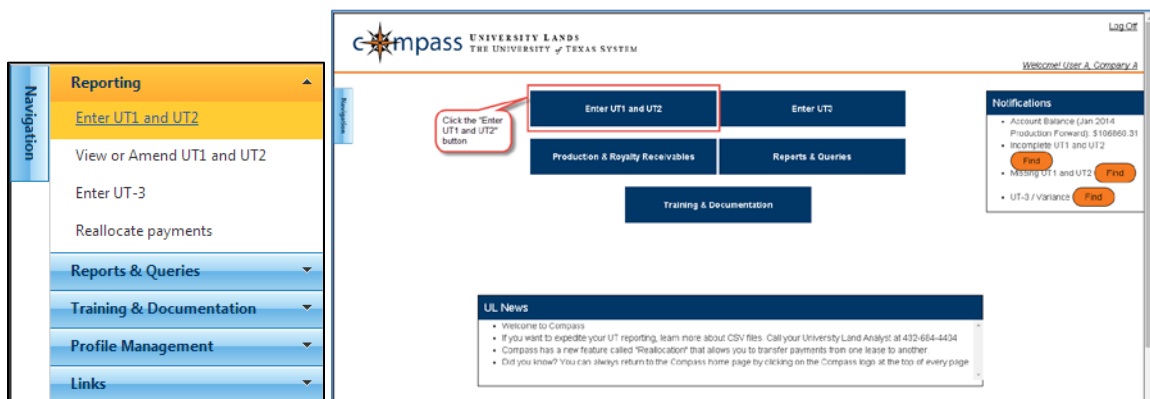
This resource guides you through the process of completing (entering data, validating, and submitting) a simple lease UT2 (Gas Royalty Report) in the Compass Portal.

How to Complete a UT2 (Simple Gas Lease 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. Please follow these guidelines to submit a UT2 (Gas Royalty Report):

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 appropriate production period for the row where the Product Type is “Gas.”

UT1 and UT2 Header (1)					
	Company Number	Company Name	Status	Production Date	Product
28	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 appropriate Property Report record.

Property Report (2)													
	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	16225	Error	5555	Compass Port		89898	08	0		Original	0.00	MCF	0.00
2	16226	Error	6666	Compass Port		90909	07C	0		Original	0.00	MCF	0.00
3	16227	Error	7777	Compass Port		24680	08	0		Original	0.00	MCF	0.00
4	B16228	Validated	12121	Compass Port		98320	08	0	29	Original	10000.00	MCF	10000.00

- Select (highlight) the “8/8 Production” 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. This field is required. Note: the value can be zero.

Property Report (2)													
	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	16225	Error	5555	Compass Port		89898	08	0		Original	10000	MCF	0.00
2	16226	Error	6666	Compass Port		90909	07C	0		Original	0.00	MCF	0.00
3	16227	Error	7777	Compass Port		24680	08	0		Original	0.00	MCF	0.00
4	B16228	Validated	12121	Compass Port		98320	08	0	29	Original	10000.00	MCF	10000.00

- 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. A note is required if there is a discrepancy between “Your Volume Share” and “8/8 Production.” This field is required. Note: the value can be zero.

Property Report (2)													
	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	16225	Error	5555	Compass Port		89898	08	0		Original	10000	MCF	10000
2	16226	Error	6666	Compass Port		90909	07C	0		Original	0.00	MCF	0.00
3	16227	Error	7777	Compass Port		24680	08	0		Original	0.00	MCF	0.00
4	B16228	Validated	12121	Compass Port		98320	08	0	29	Original	10000.00	MCF	10000.00

- 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 only required if there is a discrepancy between “Your Volume Share” and “8/8 Production.”

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	10000.00	MCF	10000.00		14.65	0.1	\$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	10000.00	MCF	10000.00		14.65	1.2500	\$100,000.00		\$12,500.00

- “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. This field is required.

Property Report (2)													
RRC District	RRC Type	Unit Number	Transaction Type	B/B Production	UOM	Your Volume Share	B/B Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	10000.00	MCF	10000.00		14.65	1.325	\$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	10000.00	MCF	10000.00		14.65	1.2500	\$100,000.00		\$12,500.00	

- 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. This field is required. Note: the value can be zero.

Property Report (2)													
RRC District	RRC Type	Unit Number	Transaction Type	B/B Production	UOM	Your Volume Share	B/B Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	10000.00	MCF	10000.00		14.65	1.325	\$100,000.00	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	10000.00	MCF	10000.00		14.65	1.2500	\$100,000.00		\$12,500.00	

- The "Royalty Percentage" is automatically populated. Select (highlight) with the cursor or use the TAB key to move to the next editable field, the "Royalty Due University." This must equal the "Market Value" multiplied by the "Royalty Percentage." This field is required. Note: the value can be zero.

Property Report (2)													
RRC District	RRC Type	Unit Number	Transaction Type	B/B Production	UOM	Your Volume Share	B/B Notes	Pressure Base	BTU Factor	Market Value	Royalty Percentage	Royalty Due University	
08	o		Original	10000.00	MCF	10000.00		14.65	1.325	\$100,000.00	25.000000 %	\$25,000.00	
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	10000.00	MCF	10000.00		14.65	1.2500	\$100,000.00		\$12,500.00	

- 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	0		Original	10000.00	MCF	10000.00		14.65	1.325	\$100,000.00	25.000000 %	\$25,000.00
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	10000.00	MCF	10000.00		14.65	1.2500	\$100,000.00		\$12,500.00

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 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)

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

Click on the light-grey field to begin entering data

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

- 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 Property Grid record.

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	
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						
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 %	\$12,500.00	

After pressing the "Enter" keyboard button, the row of data will from the grey bar into the body of the grid.

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

Disposition (3) / Tract (4) / Purchaser (5)											
Disposition			Tract		Purchaser						
Trace Number	Lease Number	RRC/Permit Number	Lease Name	Affiliated	Purchaser	Payor					

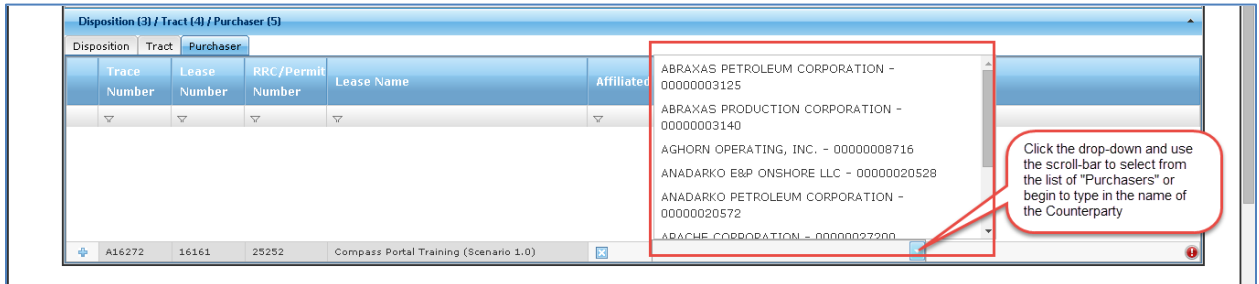
Click here to open the "Purchaser" tab

- 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.

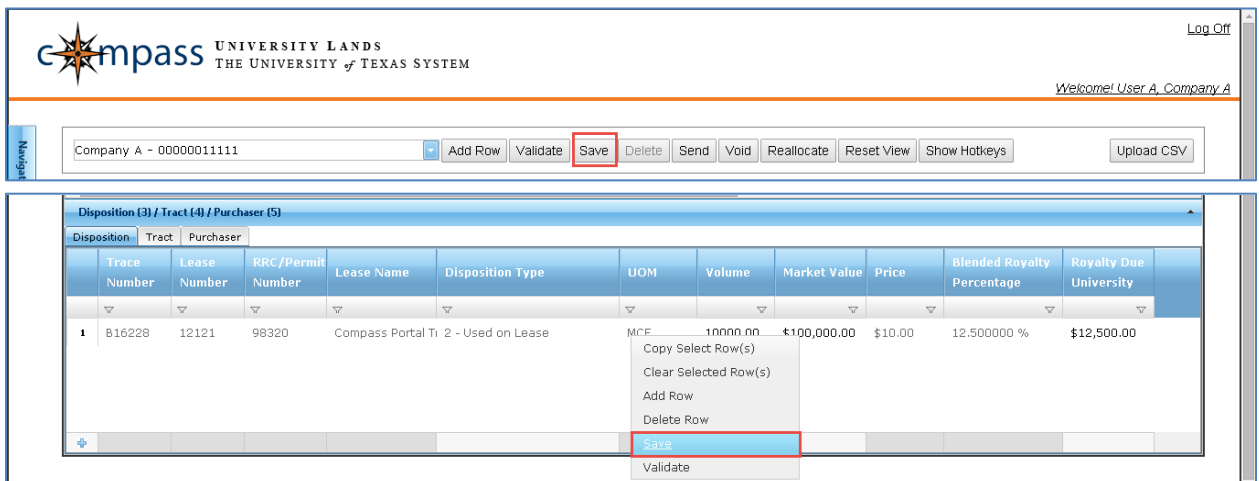
Disposition (3) / Tract (4) / Purchaser (5)											
Disposition			Tract		Purchaser						
Trace Number	Lease Number	RRC/Permit Number	Lease Name	Affiliated	Purchaser	Payor					

Click on the light-grey field to begin entering data

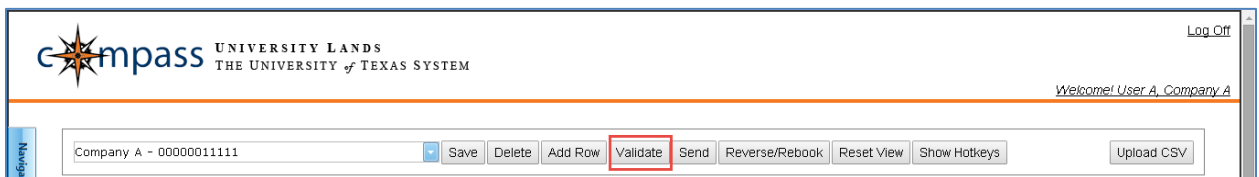
- Click the light-grey bar under the “Purchaser” field heading and select from the counterparties in the drop-down menu. To select a counterparty that does not readily appear on the drop-down, type in the name of the counterparty and the results in the drop-down filters accordingly. Repeat to select 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 or payors, repeat step 17.



- 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.



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



21. 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 “Your Volume Share” value does not equal the “8/8 Production” value and the “8/8 Notes” field remains blank.

The screenshot shows a grid titled "Property Report (2)". The grid has 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 data rows show values for these fields. A callout points to a warning icon (yellow triangle) with the text: "Warning icon does NOT prevent validating and sending". Another callout points to an error icon (red circle with exclamation mark) with the text: "Error icon prevents validating and sending until corrected". A third callout points to the error icon with the text: "Hover the cursor over the icon to reveal the Error or Warning message". A fourth callout points to the error icon with the text: "8/8 Notes is required because Your Volume Share does not equal 8/8 Disposition".

22. 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 grid titled "Property Report (2)" 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 data rows show properties with statuses like "Error" and "Validated". A red box highlights a checkbox in the first column of the "Validated" row. A callout points to this checkbox with the text: "Check this box to select all properties in the grid in a Validated status". Below the main grid, there is a section titled "Disposition (3) / Tract (4) / Purchaser (5)" with a sub-grid showing details for a specific property.

23. Click on the “Send” button to submit the validated Property Reports with checked boxes.

The screenshot shows the header of the University Lands system. 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 toolbar 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'".

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
UL Participation in Unit:	1.446070

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 = 68.0000
02	0.467310	0.467310 / 1.446070 = 32.0000
	1.446070	100.00

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	0.127461376969