

Section I – Forms Required for Reporting Production and/or Losses

Monthly Production Report	3
General Forms Required for Reporting the Production and Disposition of Crude Oil and Casinghead Gas	3
When you need to file a PR:	4
What a PR is not used for:.....	4
Reporting Requirements for Monthly PR Reports for Gas Wells Only:	5
Normally, the wells exempt from filing of PR for Gas Wells are:	5
Questions and Answers Pertaining to Form PR	6
Terms	9
Monthly Production Report	10
Examples of Form PR	11
Producer’s Monthly Supplemental Report	12
Questions and Answers Pertaining to Producers Monthly Supplemental Report	12
Producer’s Monthly Supplemental Report	13
Authority to Transport Recovered Load or Frac Oil.....	16
General Forms Required for Obtaining Authority to Transport Recovered Load or Frac Oil	16
Questions and Answers Pertaining to Report of Recovered Load or Frac Oil	16
Form P-3.....	17
Form P-3 Instructions.....	18
Reporting Guidelines and Procedures	19
Guideline for Filing Form P-3	19
Reporting Procedure for Crude or Condensate Used for Work Oil	19
Skim Oil/Condensate Report.....	20
General Forms Required By Salt Water Disposal Systems.....	20
Questions and Answers Pertaining to Report of Recovered Load Oil	21
Terms P-18	21
Instructions – Form P-18 Skim Oil and Condensate Report.....	22
Who is to file the P-18?.....	22
When and Where to File the P-18	22
What is to be reported on the P-18?	22
WHEN THE TOLERANCE LEVEL OF SKIMMED LIQUID HYDROCARBONS IS APPLIED	23

HOW LIQUID HYDROCARBONS ARE ALLOCATED BACK TO PRODUCING PROPERTIES	23
DISPOSITION OF SKIM LIQUID HYDROCARBONS	24
Skim Oil/Condensate Report – Form P-18	25
Crude Oil, Gas Well Liquids, or Associated Products Loss Report	27
General Forms Required for Reporting the Production and Disposition of Crude Oil and Casinghead Gas	27
Questions and Answers Pertaining to Loss Report	28
Terms	28
Crude Oil, Gas Well Liquids, or Associated Products Loss Report – Form H-8	29
Interim H-8 Crude Oil Spill Sheet	31
Application for Exception to Statewide Rules 26 and/or 27 (Commingling)	32
General Forms Required When Filing Request to Commingle Production (Liquid) From Two or More Leases/Wells	32
Questions and Answers Pertaining to Form P-17	33
Terms	33
Form P-17 Requirements & Reporting Procedures	34
General Instructions for Filing Form P-17:	34
Reporting Procedure for Commingling Permits Involving Plant Products	35
Form P-17	36
Application for Exception to Statewide Rule 32 (Flare/Vent Gas)	41
Procedure to Obtain and Exception to Flare/Vent Gas	41
When an exception is not required:	41
When an exception is required:	41
Statewide Rule 32 Exception Data Sheet	42
Questions and Answers Pertaining to Statewide Rule 32	43

Monthly Production Report

General Forms Required for Reporting the Production and Disposition of Crude Oil and Casinghead Gas

Check List

Forms

Authorization

PR

SWR 27, 54 & 58(B) – All crude oil and natural gas produced shall be reported to the RRC each month. Each operator who is a producer shall file required forms showing production and disposition.

Additional Associated Documents

P-1B

Required – Filed in addition to PR when leases are taken into a unit but are not wholly unitized. Also required for certain enhanced oil recovery projects for the special EOR severance tax rate (SWR 50).

H-8

Reporting Spilled, Lost or Stolen Oil (Code 5 Disp.)

SWR 20 & 71 – Notice of loss shall be followed by a letter giving details.

OM
Oil Movement Letter

Reporting Oil Moved to Another Lease for Frac Oil (Code 4 Disp.)

Required – Letter should identify lease, date oil was moved, amount taken, and receiving lease.

Statement of
explanation on PR

Reporting Code Disposition (Other)

Required – Brief explanation of disposition written on the Form PR itself.

When you need to file a PR:

For Oil Wells Only

- 1) The month production begins, whether prior to or after completion.

For Gas Wells Only

- 1) PR's are required from the completion date (on the G-1) on new completions and work overs. (This includes test gas.) On reclassifications, PR's are required from the date of the test (on the G-1).

For Both Oil and Gas Wells

- 1) As long as there is stock on hand even if wells on a lease are shut in or plugged.
- 2) If you acquire a lease from another operator who had reported an ending balance on the previous month's report.

What a PR is not used for:

Oil Well Only

- 1) To report individual well production. (Report lease production only.)

Both Oil and Gas

- 1) To report amount of water produced.
- 2) To request or change an allowable.
- 3) To report address change. (File a Form P-5.)
- 4) To report oil purchased from another lease for frac oil.

Reporting Requirements for Monthly PR Reports for Gas Wells Only:

1. PR's are required on new drills and recompletions from the completion or recompletion date in Block 14 on the front side of the G-1.
2. PR's are required from the date of test in Section I of the G-1 on wells that have been reclassified from oil.
3. PR's are required on unsuccessful completions/recompletions until a 14(b)(2) extension is granted and shows up on the gas proration schedule stripout of allowables.
4. PR's must be filed for an RRC Identifier number as long as that number has condensate stock on hand even though the well may have been plugged, recompleted, or reclassified. Do not transfer stock to the newly assigned identification number or lease number. EXCEPTION: SWR 10 exceptions and field consolidations.
5. PR's are required on gas wells that have 14(b)(2) extensions as long as there is condensate stock on hand.

Normally, the wells exempt from filing of PR for Gas Wells are:

1. 14(b)(2) extensions with no condensate stock
2. Inactive side of multiple completion with no stock
3. Storage wells
4. Injection wells
5. Salt water disposal wells
6. Domestic wells
7. SWR 10 exceptions
8. Partial plug wells unless there is stock on hand
9. T.A./temporarily abandoned wells unless there is stock on hand
10. 14(b)(2) deny allowable wells unless there is stock on hand
11. H-15 violation allowable wells unless there is stock on hand
12. Service wells
13. PFunit wells
14. Sealed allowable wells (normally a replacement well)

Questions and Answers Pertaining to Form PR

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
PR	When and where are my production reports due?	PR's are due in the Austin Office of the Railroad Commission on or before the last day of the month following the month of production.	Production 512-463-6726
PR	I am ready to file my PR, but I have not received a lease or ID number. What do I do?	If a lease or ID number has not been assigned use the drilling permit or API number until the new number is assigned	Production 512-463-6726
PR	How do I file a corrected Report?	Check the "Corrected Report" box on the front of the Form. Include all information from column (1) thru (12). For online filing, re-file	Production 512-463-6726
PR	Where do I get my stock on hand at the beginning of the month figure?	The stock on hand at the beginning of the month is the previous month's closing stock. This figure can be obtained from gauge sheets and pumper's reports. Feet and inches should be converted to barrels.	Production 512-463-6726
PR	I have recompleted or reclassified a well and I have stock on hand. Can I transfer the stock to the new lease or ID number?	Stock cannot be transferred. Continue to show the stock in column (5) and column (9) until the stock is disposed of. Once there is zero stock then filing PR reports are no longer required under the old lease or ID number.	Production 512-463-6726
PR	My pumper sends my monthly gauge reports in fractions, decimals, feet and inches. How do I show these figures on my production reports?	Fractions, decimals, feet and inches may not be used on production reports. All production must be reported in whole barrels rounded off to the nearest barrel.	Production Analyst 512-463-6726
PR	Do I have to file a PR on an oil lease if my lease is shut-in?	If there is no stock on hand, discontinue filing a PR on the oil lease. If there is stock, continue filing a PR opening and closing until all stock is disposed of.	Production Analyst 512-463-6726
PR	I took over a lease and there is no stock in the tanks. How do I make the adjustments?	Open with prior operator's closing stock volume in column (5). Show the adjusted figure in column (7) with disposition code in 71 in column (8). A code 71 is used for the P-4 effective month that the new operator takes over the lease.	Production Analyst 512-463-6726
PR	I just took over a lease and there is a production severance on the lease. Am I responsible for filing the delinquent and/or discrepant PR reports for this lease?	When you take over a lease, you also inherit the problems that were left behind. If the severance was for PR reports, they must be filed correctly through the current month or you must provide a letter explaining the situation. The letter must include the month and year you became the effective operator and include the date(s) of the missing or discrepant PR reports from the previous operator. This letter must be received within the 30 days of the new operator taking over the lease. The lease must be brought into compliance within 30 days from the approval date in order to avoid fees assessed with severance.	Production Analyst 512-463-6726

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
PR	How do I report frac oil/cond?	<p>1. If the frac oil is from another source, do not report it on the PR. Report it on a P-3 prior to moving it.</p> <p>2. If the frac oil being used was produced from the same lease, do not report it as disposition, but indicate that the oil is still in the tank on the PR closing balance. Do not show any production until the tanks get back to the amount of stock on hand, then, when the oil is moved, treat it as regular oil sale.</p> <p>3. Oil produced on one lease to frac another lease (yours or another operators) should be reported on the lease where production occurred. Report the volume in Column 7 and indicate a code 4 in column 8. Send a letter to the RRC stating the amount of frac and when it was moved. Include in the letter the field name, lease name and lease number of where the frac oil came from and the same information for where it went.</p>	Production Analyst 512-463-6726

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
PR	Can I file my reports in pencil or ink?	Do NOT use pencil on production reports. The Commission will only accept black or dark blue ink. Please do not use other colors as they will not film properly.	Production Analyst 512-463-6726
PR	How do I report skim oil?	The amount is reported in column 7 disposition. Skim oil is a code 8. Increase the production figure in column 6 by the amount of skim oil so the figures will balance across.	Production Analyst 512-463-6726
PR	Why do I have to report skim oil when it really wasn't returned to the lease?	The skim oil is allocated to the leases so the oil can be charged against the allowable.	Production Analyst 512-463-6726
PR	Do I report what the run ticket shows or the net oil amount from the statement?	The two amounts should be approximately the same. Report what the ticket shows. The net oil/cond amount is different due to the gravity and temperature.	Production Analyst 512-463-6726
PR	Whose name should go on the PR report when the new operator is filing delinquent reports that the previous operator did not file?	The new operator is responsible for the previous operators' delinquent reports and should file these reports under his name with remarks as to who the previous operator was.	Production Analyst 512-463-6726

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
PR	How do I file my PR when we didn't get paid for all gas produced?	The PR report is a production report not a sales report. All production must be reported on PR in the month it was produced regardless of disposition.	Production Analyst 512-463-6726
PR	When are PR's to be filed on new wells, workovers, and reclasses?	PR's are required from the completion date (Block 14) on the G-1 and subsequent months on new wells (include test production). On workovers, PR's are filed from the completion date (Block 14) on the G-1. On reclassifications, PR's are filed from the date of the test on the G-1. IMPORTANT: If reclassification to oil well, condensate stock cannot be transferred to the oil well or to the new zone on recompletions. It must be disposed of under the identifier number it was produced under. Exception - stock can be transferred on SWR 10 exceptions and field consolidations.	Production Analyst 512-463-6726

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
PR	Are PR's required on Shut-in/T.A. wells?	No, unless there is condensate stock on hand. Normally wells exempt from filing of PR's on gas wells are 14 (B)(2) wells with no condensate stock; inactive side of multiple completion with no stock; storage wells; injection wells; salt water disposal wells; domestic wells; SWR 10 exceptions, and partial plug wells unless there is stock on hand and show on the proration schedule.	Production Analyst 512-463-6726
PR	On the G-10, when reporting gas produced while conducting the deliverability test, do I include gas which might have been flared or vented? Do I put the same figure on the Form PR?	Yes, all test gas must be reported as production and must be included on both the Form G-10 and Form PR.	Production Analyst 512-463-6726
PR	If we use any gas to operate a heater, separator, compressor, or if we give some gas to another operator to use in a secondary recovery project, or to use for some other purpose, do we have to include this on the Form PR?	Yes, in column 12. Use disposition Code 1.	Production Analyst 512-463-6726

Terms

(Reporting the production and disposition of crude oil and casinghead gas)

1. **Barrels (BBLs)** – A unit of measure of volume for petroleum products. One barrel (1 BBL) is the equivalent to 42 U.S. gallons or approximately 158.97 liters.
2. **MCF** – The abbreviation for 1,000 cubic feet of gas. The term is commonly used to express the volume of gas produced, transmitted or consumed.
3. **Operator** – The person or company, whether proprietor or lessee, actually operating a gas well, or well or lease.
4. **On hand, beginning of month** – The previous month's closing stock.
5. **Disposition** – The method of accounting for oil or gas production removed from the lease or adjusted production figures to reflect actual stock on hand.
6. **Skim oil/condensate** – Oil/condensate recovered from salt water gathering system prior to injection or other disposal of the water. In Texas a monthly skim oil/condensate report (Form P-18) is required to be filed by salt-water gathering systems with the RRC reporting the quantities and disposition of oil skimmed from water during the month.
7. **BS&W** – The abbreviation for basic sediment and water.
8. **On hand, end of month** – The balance you arrive at when you add the "On hand, beginning of month" figure and current month production and subtract the disposition volume.
9. **Gas formation production** – The volume of gas produced from a formation measured in MCF, regardless of disposition, including test gas and/or flared gas. (Does not include gas lift gas if gas lifting.)
10. **Lease or field fuel use** – The volume of gas, which is used, sold, or given to others for field operations, lease drilling fuel, compressor fuel, etc.
11. **Transmission line** – Those pipelines used to transmit natural gas or other fluids.
12. **Flare or Vent** – To dispose of surplus combustible vapors by igniting the vapors in the atmosphere.
13. **Net Oil** – The amount of oil produced by a lease exclusive of its' BS&W content.
14. **Processing Plant** – A plant to remove liquefiable hydrocarbons from wet gas or casinghead gas.
15. **Condensate** – Any liquid hydrocarbon recovered by surface separators from natural gas.
16. **RRC Identifier** – The five-digit oil lease number, or six-digit gas well number assigned by the Well Compliance department.
17. **Load Oil** – (Also called frac oil, work oil, or circulating oil) – Any oil or liquid hydrocarbon used in fracturing a formation to simulate a well as distinguished from the oil that is normally produced by the well.

Monthly Production Report

TYPE OR PRINT USING DARK INK
* READ INSTRUCTIONS ON BACK

MONTHLY PRODUCTION REPORT RAILROAD COMMISSION OF TEXAS

Form PR
02/2005

Operator Name _____

Operator Address _____

City _____ State _____ Zip _____

Oil and Gas Division
(1701 N. Congress)
P.O. Box 12967 – Capitol Station
Austin, Texas 78711-2967

P-5 Operator No.
RRC Dist No. Page _____ of _____

Production Month/Year /
 Fill here if CORRECTED REPORT

<http://www.rrc.state.tx.us>

EXACTLY AS SHOWN ON RRC RECORDS (If multiple Volumes/Codes exist, put them on the next line)				OIL/CONDENSATE (whole barrels) - Total for Month *SEE BACK FOR EXPLANATION OF DISPOSITION CODES *				CASINGHEAD GAS/GAS WELL GAS (MCF) - Total for Month				
Field Name (list alphabetically) Name (for gas, provide well #)	Lessee	O/GP [Oil/Gas/ Pending]	RRC Identifier [Lease Gas ID/ Drill Permit AH#]	Commingling Permit # or LSE Total (T)	On hand beginning of month	Production	Disposition		On hand, end of month	Formation Production	Disposition	
							Volume	Code			Volume	Code
1		2	3	4	5	6	7	8	9	10	11	12
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				

REMARKS – Attach sheet if more space needed

Print Name _____ Signature _____
Title _____ Phone w/AC _____ Date _____

I certify that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the information stated herein is true, correct and complete to the best of my knowledge.

Examples of Form PR

MONTHLY PRODUCTION REPORT
RAILROAD COMMISSION OF TEXAS

Form PR
02/2005

John Doe Company
Operator Name
5445 Way St
Operator Address
Austin Texas 77001
City State Zip

Example

0 5 8 8 9 3 0 8
P-5 Operator No. RRC Dist No. 1 of 1

0 2 / 2 0 X X
Production Month/Year Fill here if CORRECTED REPORT

<http://www.rrc.state.tx.us>

EXACTLY AS SHOWN ON RRC RECORDS (If multiple Volumes/Codes exist, put the m on the next line)				OIL/CONDENSATE (whole barrels) - Total for Month *SEE BACK FOR EXPLANATION OF DISPOSITION CODES*				CASINGHEAD GAS/GAS WELL GAS (MCF) - Total for Month				
Field Name (list alphabetically) Name (for gas, provide well #)	Lease	OGP [Oil/Gas/ Pending]	RRC Identifier [Lease Gas ID/ Drill Permit A/E#]	Commingling Permit # or LSE Total (T)	On hand beginning of month	Production	Disposition		On hand, end of month	Formation Production	Disposition	
							Volume	Code			Volume	Code
1 Ward-Estes, North Example Lease		2 O	3 25400	4 T	5 300	6 200	7 200	8 1	9 225	10 257	11 257	12 2
							25	3				
							50	6				
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				
		O	25400	3273	84	140	60	1	125			
							12	3				
							27	6				
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				
		O	25400	9999	216	60	140	1	100			
							13	3				
							23	6				

REMARKS - Attach sheet if more space needed

Print Name Joe Terry Signature [Signature]
 Title Dist. Engineer Phone w/AC (214) 555-1212 Date 1-31-XX

I certify that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the information stated herein is true, correct and complete to the best of my knowledge.

MONTHLY PRODUCTION REPORT
RAILROAD COMMISSION OF TEXAS

Form PR
02/2005

John Doe Company
Operator Name
5445 Way St
Operator Address
Austin Texas 77001
City State Zip

Example

5 4 5 8 8 4 0 3
P-5 Operator No. RRC Dist No. 1 of 1

0 2 / 2 0 X X
Production Month/Year Fill here if CORRECTED REPORT

<http://www.rrc.state.tx.us>

EXACTLY AS SHOWN ON RRC RECORDS (If multiple Volumes/Codes exist, put the m on the next line)				OIL/CONDENSATE (whole barrels) - Total for Month *SEE BACK FOR EXPLANATION OF DISPOSITION CODES*				CASINGHEAD GAS/GAS WELL GAS (MCF) - Total for Month				
Field Name (list alphabetically) Name (for gas, provide well #)	Lease	OGP [Oil/Gas/ Pending]	RRC Identifier [Lease Gas ID/ Drill Permit A/E#]	Commingling Permit # or LSE Total (T)	On hand beginning of month	Production	Disposition		On hand, end of month	Formation Production	Disposition	
							Volume	Code			Volume	Code
1 Giddings (AC) Smith		O	25400		300	200	200	1	300	257	257	2
Roy #34		P	544150		84	140	99	1	125	3500	3500	2
Giddings (Buda) Davis #24		G	122777							500	500	2
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				
DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				DO NOT WRITE IN THIS AREA				

REMARKS - Attach sheet if more space needed

Print Name Joe Terry Signature [Signature]
 Title Dist. Engineer Phone w/AC (214) 555-1212 Date 1-31-XX

I certify that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the information stated herein is true, correct and complete to the best of my knowledge.

Producer's Monthly Supplemental Report

Questions and Answers Pertaining to Producer's Monthly Supplemental Report

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
P-1B	When is the Form P-1B required to be filed?	The unit operator is required to file the Form P-1B for leases that are taken into a unit but are not wholly unitized. The form is also required for certain enhanced oil recovery projects. Please refer to instructions for "Reporting Requirements" on back of Form P-1B.	Production Analyst 512-463-6726
P-1B	I made a mistake on my report. Will the Commission Staff change my report if I give them the correct information via telephone?	Commission personnel are not authorized to change any data submitted. A corrected report should be filed.	Production Analyst 512-463-6726
P-1B	Does the Form P-1B have to be filed using print paper?	Yes, the Form P-1B has to be filed using pink paper.	Production Analyst 512-463-6726

Producer's Monthly Supplemental Report

PRODUCER'S MONTHLY SUPPLEMENTAL REPORT

P-1B
Rev. 9/1/90

Operator Name _____
 Operator Address _____
 City _____ State _____ Zip _____

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
 (1701 N. Congress)
 P.O. Drawer 12967 - Capitol Station
 Austin, Texas 78711-2967

P-5 Operator No. _____ RRC Dist. No. _____

Production Month _____ 19 _____

Check here if CORRECTED Page _____ of _____
 REPORT

Partially unitized lease Other (Specify _____)

TYPE OR PRINT USING BLACK OR DARK BLUE INK CHECK PURPOSE OF FILING READ INSTRUCTIONS ON BACK

1 Field Name (list alphabetically) Lease Name (list lease name in numerical order of lease no.)	2 RRC Oil Lease No.	3 On hand, beginning of month	4 Production	5 OIL - (whole barrels) Total for Month			7 On hand end of month	8 Casinghead gas formation production (MCF total for month)
				DISPOSITION				
				Volume	CODE			

OIL DISPOSITION CODES

0 pipeline	4 circulating oil	7 other
1 truck	5 lost or stolen	8 skim liquid hydrocarbons
2 tank car or barge	6 sedimentation	9 scrubber oil
3 tank cleaning net oil		

SEE BACK FOR EXPLANATION OF CODES

CERTIFICATION

Name _____ Signature _____
 (type or print)

Title _____ Phone (____) _____ Date _____
 Signature _____

I certify that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the information stated herein is true, correct, and complete to the best of my knowledge.

PRODUCER'S MONTHLY SUPPLEMENTAL REPORT

P-1B
Rev. 9/1/90

Breaker Oil Company
Operator Name
302 Main
Operator Address
Dallas Tx 79701
City State Zip

RA# TEXAS

090776 06
P-S Operator No. RRC Dist. No.
December 19 00
Production Month

Example

Check here if CORRECTED Page 1 of 1
REPORT

TYPE OR PRINT USING BLACK OR DARK BLUE INK CHECK PURPOSE ()

Partially unitized lease Other (Specify)

READ INSTRUCTIONS ON BACK

Field Name (list alphabetically) Lease Name (list lease name in numerical order of lease no.)	RRC Oil Lease No.	On hand, beginning of month	Production	OIL - (whole barrels) Total for Month		On hand end of month	Casinghead gas formation production (MCF total for month)
				DISPOSITION Volume	CODE		
Chapel Hill (Pettit) Jane Caldwell	06612	126	220	185	0	161	135

Old RRC Lease name and number


Form P-1B must be filed monthly on all leases taken into a unit and not wholly unitized (certain interests did not sign unitization agreement.) This form is filed by Unit Operator and must show old lease name and old lease number. Statistical data shown on Supplemental Form P-1B are included in the data shown on Form PR for the unit.

OIL DISPOSITION CODES

0 pipeline	4 circulating oil	7 other
1 truck	5 lost or stolen	8 skim liquid
2 tank car or barge	6 sedimentation	hydrocarbons
3 tank cleaning net oil	9 scrubber oil	

SEE BACK FOR EXPLANATION OF CODES

CERTIFICATION

Name (type or print) Joe Terry Signature 

Title Dist. Engineer Phone (214) 555-1212 Signature Date 1-31-XX

I certify that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the information stated herein is true, correct, and complete to the best of my knowledge.

Instructions

Form P-1B: Producer's Monthly Supplemental Report

Filing Required – File the P-1B on a monthly basis for:

- Leases that are taken into a unit but are not wholly unitized, that is, where certain interests did not sign the unitization agreement (the unit operator files the P-1B).
- Certain enhanced oil recovery (EOR) projects when required as a condition for eligibility for the special EOR severance tax rate as set out in Statewide Rule 50.

When and Where to File – The original of the monthly P-1B report is due in the Commission's Austin office on or before the last day of the month following the month covered by the report.

Order of the report and certification information

- For partially unitized leases, check the first box under Purpose of filing and enter the field and OLD lease name and OLD lease number in columns 1 and 2. File a separate report for each district.
- For special EOR projects, check the second box under Purpose of Filing and enter the project number (beginning with F or T) in the space to the right of the purpose box. File a separate report for each special EOR project. Enter the field and lease name(s) and number(s) in columns 1 and 2 as shown on your project approval letter for that project number.

The signature must be an original. The signature date is the actual date of signing, but NEVER prior to the first day of the month following the production month. For multiple page reports covering one district for partially unitized leases or one special EOR project: (1) number the pages sequentially within the district/project (page 1 of 15, page 2 of 15, etc). (2) Staple the pages for the district/project together, and (3) complete the certification section at the bottom of the last page only.

Volumes – Give volumes for each lease as monthly TOTALS, in WHOLE numbers, computed by accepted standards measurement. Do NOT use decimals, fractions, or negative numbers. See disposition information below. Volumes shown on the P-1B for partially unitized leases are included in the volumes shown on Form P-1 for the entire unit. COLUMN 3 PLUS COLUMN 4 MINUS COLUMN 5 MUST EQUAL COLUMN 7 FOR EACH LEASE. IN COLUMN 8, REPORT ALL GAS PRODUCED, REGARDLESS OF DISPOSITION.

Form PR has replaced Form P-1.

Disposition – Enter an oil disposition code in Column 6 for each oil disposition volume in Column 5. You may use more than one code. However, do NOT use the same code more than once in Column 6 per lease. Show all dispositions according to INITIAL use or purpose.

CRUDE OIL DISPOSITION CODES:

- 0 Pipeline
- 1 Truck
- 2 Tank car on Barge
- 3 Net oil from tank cleaning as calculated on the basis of a shakeout test. Show BS&W as oil disposition code 6.
- 4 Circulating oil – original movement off lease. File a notification letter with the appropriate district office and Austin.
- 5 Lost or stolen – include loss from fires, leaks, spills and breaks, as well as theft. File a Form H-8 if more than 5 barrels.
- 6 Sedimentation – BW&W from tank cleaning. Show net oil as oil disposition code 3.
- 7 Other – stock adjustment, water bleed-off, lease use, road oil, production lost to the formation, etc. Give detailed explanation below the volume in Column 5.
- 8 Skim liquid hydrocarbons as allocated back from Forms P-18 by a salt water disposal system
- 9 Scrubber oil as allocated back from Form R-3 by a gas processing plant.

NOTE: Operators wishing to file on continuous feed paper or magnetic tape (for reporting partially unitized leases) must receive prior approval. Contact the Director or Assistant Director of Production Allocation for more information.

Authority to Transport Recovered Load or Frac Oil

General Forms Required for Obtaining Authority to Transport Recovered Load or Frac Oil

Check List

Forms

Authorization

P-3

SWR 58(A)(C) – Form must be filed prior to running the oil.

Received delivery ticket

Required – The receipted delivery ticket or certified copy of Invoice must be attached to the original copy of the Form P-3 in each case where the load oil source is other than the lease source.

Questions and Answers Pertaining to Report of Recovered Load or Frac Oil

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
P-3	If a P-3 has been filed earlier in the month for the total amount injected, but not all was recovered, should an amended report be filed?	Yes. Indicate that it is a corrected report.	Production 512-463-6726
P-3	If chemical or diesel fuel was used for the frac operation does it have to be reported on the P-3? If so, Why?	Yes, recovered frac material, even diesel or chemicals, should be reported on a P-3. In the remarks section, indicate the type of material. Sending a copy of the P-3 to the gatherer will help the gatherer know how to report this material especially if this frac material is mixed with production from the lease or gas well. Use of diesel fuel as frac fluid requires a permit (see RRC Notice to Operators June 2014.)	Production 512-463-6726
P-3	If the month shown on the P-3 is not the same month in which the material was actually moved, what should I do?	File an amended report to zero out the current month. Then file a corrected P-3 for the month the material is moved.	Production 512-463-6726
P-3	If an operator recovers and is ready for the movement of the frac oil, but has not filed the Form P-3 timely, what should he/she do?	Supply the District Office with a properly supported Form P-3 so that the District Office Director may give verbal authority to the gatherer to move the recovered frac or load oil.	Production 512-463-6726
P-3	When and where do I file the Form P-3?	It should be filed in duplicate with the appropriate RRC District Office. In addition, a copy should be immediately supplied to the transporter designated on the form prior to the movement of the recovered load frac oil.	Production 512-463-6726
P-3	Should recovered load or frac oil be shown as production on the Form PR?	No.	Production 512-463-6726

Form P-3

**AUTHORITY TO TRANSPORT
RECOVERED LOAD OR FRAC OIL**

**RAILROAD COMMISSION OF TEXAS
- OIL AND GAS DIVISION -**

FORM P-3
Rev. 09/2011

RRC DISTRICT NO. _____

This form is to be used only when the recovered load or frac oil was obtained from a source other than the lease on which it was used. This form must be completed in a timely manner to assure proper accounting by both the Producer and the Transporter.

Producer and Address (including city, state and zip code)

Both the Producer and the Transporter must honor this Form P-3 in the month shown at right for reporting purposes and the month shown must be the month in which the material was moved.

MONTH	YEAR

This is the authority for the transportation of _____ barrels of recovered load or frac oil by _____ (GATHERER) from our
LEASE NAME _____ **LEASE NO.** _____ **WELL NO.** _____
FIELD _____ **COUNTY** _____
RESERVOIR _____ **MONTH OF RECOVERY** _____

This material was used for _____ and is now or will be ready for movement in the month covered by this report.

SOURCE - LOAD OR FRAC OIL (FILL IN THE APPROPRIATE SPACES BELOW)

_____ barrels of oil were transferred for this purpose from the _____ LEASE
 _____ FIELD _____ COUNTY _____
 and/or _____ barrels of oil were obtained for this purpose from _____ SOURCE AND SUPPLIER
 on _____ / _____ / _____
 (Mo.) (Day) (Year)

Remarks:

CERTIFICATE

I declare under penalties prescribed in §91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Name: _____
 Position: _____
 Date: _____
 Telephone No. (____) _____

IMPORTANT NOTE: The use of DIESEL FUEL in hydraulic fracturing activities is subject to the federal Safe Drinking Water Act and requires prior notice to, and approval from, the Railroad Commission.

Form P-3 Instructions

FORM P-3

INSTRUCTIONS

Rev. 09/2011

A receipted delivery ticket or a certified copy of the invoice of the supplier of load or frac oil stating therein the volume of load or frac oil furnished must be attached to the original copy of Form P-3 in each case where the load oil source is other than lease source.

This form should not be completed until such time as the recovery of the liquid hydrocarbon material has begun and should be filed for the volume ready for movement or the volume that is anticipated to be ready for movement in the month covered by Form P-3.

Form P-3 shall be filed in duplicate with the appropriate Commission District Office. In addition, a copy shall be immediately supplied to the transporter designated on Form P-3 prior to the movement of the recovered load or frac oil.

Recovered load or frac oil shall not be shown as production on Form PR.

Recovered liquid hydrocarbons moved on authority for Form P-3 shall be shown as "Receipts From Other Sources" Page 1-A of Form T-1 by the transporter and designated as load or frac oil.

Reporting Guidelines and Procedures

Guideline for Filing Form P-3

1. File two copies to District Office, one copy to transporter shown on Form P-3.
2. Form P-3 must be filed in accordance with Statewide Rule 58(A)(C), which states that form must be filed "Prior to Running The Load or Frac Oil".
3. If an operator finds that he has recovered load or frac oil and is ready for movement of frac oil but has not filed Form P-3 timely, he should supply the District Office with a properly supported Form P-3 so that the District Office Director may give verbal authority to the gatherer to move the recovered frac or load oil. This verbal authority can only come from the District Office when the P-3 form has been received in the District Office properly documented.
4. If an operator allows a gatherer to move recovered load frac oil without the proper filing of Form P-3, he should immediately file the form in the District Office and the month shown on Form P-3 should be in the month in which the material was actually moved. (See instruction Box or Form P-3). If necessary, corrected reports (Form PR, T-1) must be filed by producer and/or transporter to properly account for the frac oil in the month moved by the gatherer.
5. If Form P-3 is filed on a given lease and runs are made during the month on that lease but there is no frac oil moved, the operator must notify the gatherer that no frac oil was moved. Otherwise, the gatherer will honor up to the amount shown on Form P-3 as frac oil even though there was nothing moved.
6. It is the operator's responsibility to ensure that total material moved and charged as frac oil does not exceed that amount of material brought in from an outside source to be used. This should be controlled by the "Source" section and the "Barrels Previously Moved" section together with the current authorization.
7. Form P-3 revised March 1977, allows for the anticipation of recovery and movement of frac oil within a given month. This does not mean that an operator should file a P-3 for the entire amount of frac oil used unless his rate of recovery indicates that the entire amount of frac oil will be recovered and moved by the transporter in the month designated on Form P-3. Form P-3 should be filed for the amount ready to be moved or the amount that is anticipated to be ready for movement within the month covered by the form.

Reporting Procedure for Crude or Condensate Used for Work Oil

Example I – 500 barrels of crude is moved from Brown lease to Red lease, used as frac oil on Red lease, recovered and run to pipeline from Red lease.

1. Disposition of 500 barrels to Code 4 is shown on Form PR for Brown lease for the month when movement is made.
2. Form P-3 is filed for 500 barrels on Red lease when the 500 barrels are run to pipeline.
3. Do not include the 500 barrels on production reports (Form PR) for Red lease.
4. Gatherer deducts 500 barrels from lease runs on Red lease and shows this receipt as "Receipt From Other Sources" on Page 1A of Form T-1.

Example II – 500 barrels of crude is moved from Brown lease to Red lease, used as work oil on Red lease but not recovered.

1. Brown lease shows 500-barrel disposition to Code 4.
2. No further reports needed. Do not include in production reports for Red lease.

Example III – 500 barrels of crude from the Red lease storage is used on Red lease as work oil, recovered and run to pipeline.

1. When the 500 barrels are removed from storage and put in wells, do not show as disposition on production report.
2. Continue to carry as stock even though it is in the wells. Do not show any production until the 500 barrels are recovered and put back into tanks and new production is recovered. This will prevent double reporting of this crude.

Example IV – 500 barrels of crude from Red lease storage are used on Red lease as work oil but the oil is not recovered. (Lost to formation etc.)

1. 500-barrel disposition is shown on Red lease as code 74 with explanation that oil was used on lease and not recovered.

Example V – 500 barrels of crude is bought from another source (pipeline, etc.) Used on Red lease, recovered and run to pipeline from Red lease.

1. When 500 barrels are recovered and run to pipeline, Form P-3 is filed for 500 barrels on Red lease.
2. Do not include in production or disposition for Red lease.
3. Gatherer deducts the 500 barrels from lease runs and shows as “Receipt From Other Sources” on Page 1 of Form T-1.

NOTE: IN ANY CASE WHERE OIL/CONDENSATE IS MOVED FROM A PROPERTY TO ANOTHER PROPERTY IDENTIFIED BY A DIFFERENT RRC IDENTIFIER OR IDENTIFICATION NUMBER TO BE USED AS WORK OIL AS SHOWN IN EXAMPLE I AND II, A LETTER SHOULD BE WRITTEN IN COMPLIANCE WITH STATEWIDE RULE 58(A)(3) NOTIFYING THE DISTRICT OFFICE, REGULAR AND TEMPORARY GATHERER OF SUCH MOVEMENT.

Skim Oil/Condensate Report

General Forms Required By Salt Water Disposal Systems

Check List	Forms	Authorization
<input type="checkbox"/>	P-5	SWR 1 – Organization name to be filed and records kept.
<input type="checkbox"/>	P-18	SWR 56 – Monthly skim oil hydrocarbons report. Original to be filed in Austin Office no later than the 15 th of the month following the month of operation.

Questions and Answers Pertaining to Report of Recovered Load Oil

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
P-18	Who is responsible for correct operator name, lease name, and lease numbers for the facility or disposal wells?	It is the responsibility of the salt water hauler to secure the correct operator name, lease name, and lease numbers for the facility from which water is gathered. In the event the salt water hauler does not have this information, the correct lease numbers and field names should be available from the operator.	512-463-6865
P-18	What steps must the operator take before filing a P-18 report?	Operator must file a P-5 (Organization Report), then they must apply for authorization for a disposal well permit number. The P-18 filing requirement includes facilities that serve multiple operators. It may include both oil and gas wells. Even when there are no liquid hydrocarbons skimmed and/or remaining in storage during the reported period, the facility operator must file a report showing the amount of salt water which has gone through the facility.	512-463-6865
P-18	Who should the operator contact about receiving payment for hydrocarbons which have been charged back to the lease?	Contact the Comptroller of Public Accounts.	(800) 252-1384 OR (512) 463-4600
P-18	Is a P-18 report required to be filed if the operator only picks up water and never skims oil?	Yes. If the operator of the disposal is commercial, a P-18 is required when water is picked up, even if no oil is skimmed.	512-463-6865
P-18	If water is removed from any lease producing hydrocarbons, does the P-18 operator break down the volume of water between the leases from which the salt water was picked up?	Yes, always break down the amount of water between leases.	512-463-6865
P-18	If there is an operator change, but the facility stays the same, does the system serial number remain the same?	Yes, if the facility remains the same, and in the same location, the system serial number will remain the same. If there are changes in the facility or the location, a new system serial number will be assigned.	512-463-6865

Terms P-18

1. **Scrubber oil** – Liquid hydrocarbons which are accumulated prior to compression of the gas in lines gathering casinghead gas to a gas processing plant.
2. **Skim hydrocarbons** – Oil and condensate accumulations that result from salt water disposal skimming operations.
3. **Allocation** – Charging scrubber oil/skim hydrocarbons recovered by the plant/salt water disposal system operator back to the producing properties connected to the plant/salt water disposal system.
4. **Tolerance** – The amount of scrubber oil/skim hydrocarbons that may be recovered before the plant/salt water disposal system operator must allocate to the producing property.
5. **Identifiable slug of liquid hydrocarbons** – Volume of liquid hydrocarbons that is received at the disposal facility where the origin of such liquid hydrocarbons can be clearly identified.
6. **Producing property** – A producing unit assigned an identifying number by the Commission and which is used in reporting production.

Instructions – Form P-18 Skim Oil and Condensate Report

Who is to file the P-18?

The Form P-18 is to be filed by operators of facilities from which skim liquid hydrocarbons (oil and/or condensate) are sold or disposed of by injection or other approved methods if the facility serves more than one oil lease or gas unit. (NOTE: If a facility serves only one oil lease or gas unit, any liquid hydrocarbons removed from the facility MUST be reported on Form PR as production from that oil lease or gas unit. A Form P-18 MUST be filed).

This Form P-18 filing requirement includes facilities that serve multiple operators. Even when there are no liquid hydrocarbons skimmed and/or remaining in storage during the reporting period, the facility operator must file a report showing the amount of salt water which has gone through the facility during that period. Reporting is to begin with the very first report period during which salt water is received into the system.

When and Where to File the P-18

The original Form P-18 must be filed with the Commission in Austin no later than the 15th day of the month following the reporting period covered by the Form P-18. At the same time the report is filed with Austin, a Copy is also sent to

- Each operator of an oil lease and/or gas well to which liquid hydrocarbons have been credited or allocated.

What is to be reported on the P-18?

Salt Water

All salt water accepted into the system is to be reported (Section II. Lines 2 & 5).

This volume will be broken down into:

*The volume of salt water coming in from Producing Properties, that is, oil leases and gas wells (Section II line 3). These properties will be individually identified in Section V.

*The volume of salt water coming in from non-producing properties, that is, plants, wash pits, reserve pits, etc. (Section II Line 4). These non-producing properties are not to be individually identified in Section V since there can be no allocation back to them.

Salt Water systems are not to accept material from vacuum trucks or other haulers if the material was obtained by cleaning storage tank bottoms. If such material is removed from the producing property it must be hauled to an approved reclamation plant according to Commission procedure.

In addition salt water systems are not authorized to haul liquid hydrocarbons from producing property except for the small amount, which may be entrained in salt water. If however a salt water hauler delivers a load to a system and it is determined that a significant amount of the load from that producing property is liquid hydrocarbons the amount of liquid hydrocarbons must be estimated if it cannot be accurately measured and the amount of liquid hydrocarbons must be noted on the delivery ticket. That amount must be reported as an identifiable slug on Form P-18 (Section V column 6). Records of such deliveries including the delivery tickets showing the name of the salt-water hauler must be kept for a minimum of two years as specified in Statewide Rule 1.

Liquid Hydrocarbons

All liquid hydrocarbons, skimmed or identifiable slugs (unless the slugs are returned to the producing property) must be reported. This includes from both leases and gas units. In some cases, identifiable slugs will be returned to producing property. The return must be made within the reporting period that the slug is received by the system. Before the return is made however the appropriate District Office must be notified. Such slugs are not to be reported on the Form P-18: they must be reported as production on the Form PR, by the producing operator.

Liquid hydrocarbons must be skimmed every reporting period and reported for that period. Any skim liquid hydrocarbons found or reported which have accumulated over more than two reporting periods for which a Form P-18 has not been filed in a timely manner are subject to confiscation by the state as liquid hydrocarbons which are unidentifiable as to source.

WHEN THE TOLERANCE LEVEL OF SKIMMED LIQUID HYDROCARBONS IS APPLIED

The tolerance level is a reporting mechanism used only when the system gathers salt water from more than one operator. Multiple operator systems allocate only the volume of skimmed liquid hydrocarbons above the tolerance level. The tolerance level is determined as follows:

Barrels of tolerance skimmed liquid hydrocarbon (Sec II, line 7)	=	Barrels of salt water received from all producing properties (Sec II, line 3)	X	.0005 barrels of skimmed liquid hydrocarbons per barrel of salt water
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HOW LIQUID HYDROCARBONS ARE ALLOCATED BACK TO PRODUCING PROPERTIES

Since the liquid hydrocarbons skimmed by the system are, in fact, oil lease and/or gas well production, they are to be allocated back to the producing property. Do not allocate back to non-producing leases (those without allowables assigned), wash pits, plants, etc.

While all identifiable slugs, (Section II, line 9) are to be credited back to the individual oil lease or gas well which produced them (Section V, column 6), the remaining skimmed liquid hydrocarbons (Section II, line 8) are allocated back in proportion to the volume of salt water gathered from the producing property. The amount to be individually allocated (Section V, column 5) is determined as follows:

Barrels of skimmed liquid hydrocarbons allocated to individual producing property (Sec. V, col. 5)	=	$\frac{\text{Water received from the producing property (Sec V, col.7)}}{\text{Water received from all producing properties (Sec. II, line 3)}}$	X	Excess liquid hydrocarbons skimmed by the system (Sec. II, line 10)
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Systems serving more than one operator allocate back only the volume of skimmed liquid hydrocarbons above the tolerance volume. Systems serving only one operator allocate back all skimmed liquid

hydrocarbons. In both cases, slugs are not allocated back. They are credited directly to the property which produced them.

In Section V, of Form P-18, oil properties and gas properties must be listed on separate pages. Different districts also must be listed on separate pages.

DISPOSITION OF SKIM LIQUID HYDROCARBONS

All gatherer/transporters picking up liquid hydrocarbons skimmed by the system must be identified by name and Railroad Commission assigned serial number and the volume given (Section IV).

The system may deliver liquid hydrocarbons or emulsions to a permitted reclamation plant. The name and R-2 serial number of the reclamation plant and the net oil delivery are to be given in Section IV.

Operators of salt water gathering systems are not authorized liquid hydrocarbon gatherers or buyers. Failure to observe this regulation can result in the revocation of the system's disposal or injection permit.

Skim Oil/Condensate Report – Form P-18

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

SKIM OIL/CONDENSATE REPORT –
LIQUID HYDROCARBONS RECOVERED FROM
SALT WATER GATHERING SYSTEMS PRIOR
TO INJECTION OR OTHER DISPOSAL OF WATER

Form P-18
(Rev. 01/01/86)

READ INSTRUCTIONS ON BACK

OPERATOR NAME AND ADDRESS (Exactly as shown on P-5, Organization Report)	REPORTING PERIOD _____/_____/_____ CORRECTED REPORT? <input type="checkbox"/> YES	RRC DIST. NO. OPERATOR NO.	
Name of Gathering System or Facility _____ System Serial No. _____ Lease ID # _____ Location _____ (Section, Block, Survey and County) (If applicable) Distance and direction from nearest town _____			
SECTION I - METHOD OF DISPOSAL OF WATER RECEIVED INTO SYSTEM			
1. INJECTION INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS Field and Reservoir: _____	Authorization for Injection: (Order No., UIC Project No., or date of letter): _____		
2. INJECTION INTO DISPOSAL WELL(S) Name and Well No. of Disposal Well(s): _____	Authorization for Disposal Well(s): (Order No., UIC Permit No., or date of letter): _____		
3. OTHER (e.g., Tidal Disposal, etc.) Describe Disposal Method: _____	Authorization for Disposal Method: (Order No. or date of letter): _____		
SECTION II – OPERATIONS DATA FOR REPORTING PERIOD			
1. Does this system receive salt water from more than one operator? <input type="checkbox"/> Yes <input type="checkbox"/> No	2. Number of oil leases and/or gas wells that system gathers from: _____	NET BARRELS	
3. Water received from producing properties during reporting period _____			
4. Water received from non-producing properties during reporting period _____			
5. Total barrels of water received during reporting period (Line 3 + Line 4) _____			
6. Total liquid hydrocarbons skimmed from water received during reporting period _____			
7. Tolerance of liquid hydrocarbons not required to be allocated back to leases (Line 3 x .0005). Multiple operator systems only _____			
8. Excess skim liquid hydrocarbons to be allocated/credited back to leases served (Line 6 – Line 7) _____			
9. Liquid hydrocarbons received as identifiable "slugs" credited to leases and/or gas wells from which they were produced _____			
10. Excess skim liquid hydrocarbons not credited on Line 9, but to be allocated back to properties served (Line 8 – Line 9) _____			
<i>(If any amount is shown on Line 9 or 10, complete SECTION V on back of this form)</i>			
SECTION III – STORAGE AND RUN DATA			
1. Liquid hydrocarbons in storage beginning of reporting period _____		NET BARRELS	
2. Total liquid hydrocarbons skimmed during reporting period which were not returned to leases _____			
3. Total liquid hydrocarbons sold during reporting period _____			
4. Liquid hydrocarbons in storage end of reporting period (Line 1 + Line 2 – Line 3 = Line 4) _____			
SECTION IV – GATHERER DATA			
Name(s) of gatherer(s) of liquid hydrocarbons sold:			
1. _____ Amt _____ RRC # _____	2. _____ Amt _____ RRC # _____		
3. _____ Amt _____ RRC # _____	4. _____ Amt _____ RRC # _____		
CERTIFICATE:			
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete, to the best of my knowledge.	Signature _____	Print Name _____	
	Date _____	Title _____	
	Telephone No. _____	Area Code _____	Number _____

Mail original to Railroad Commission of Texas
Oil and Gas Division
Capitol Station – P.O. Drawer 12967
Austin, Texas 78711-2967

Crude Oil, Gas Well Liquids, or Associated Products Loss Report

General Forms Required for Reporting the Production and Disposition of Crude Oil and Casinghead Gas

Check List

Forms

Authorization

Notify
District
Office

SWR 20 & 71 – Operators shall give immediate notice to District Office by telephone.

H-8

SWR 20 & 71 – Notice shall be followed by letter (Form H-8) giving details of loss.

PR

SWR 58 – Operators shall file monthly report showing production and disposition.

When A Company Needs to File Form H-8:

- 1) To report a theft, leak, spill or break in facilities causing a loss of more than 5 barrels of crude oil, gas well liquids, or associated products, or any loss that impacts surface or coastal water.

What a Form H-8 is NOT Used For:

- 1) To report losses of less than 5 barrels.
- 2) To report spills or losses of saltwater.
- 3) Loss of oil into formation during frac jobs.
- 4) To substitute for the monthly loss report required of common carrier pipelines by SWR 71.

Questions and Answers Pertaining to Loss Report

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
H-8	Where do I file my H-8 Form?	File the original and one copy with the District Office.	Appropriate RRC District Office
H-8	If I am not sure what date the loss occurred, what date do I list?	Approximate it as close as you can.	Appropriate RRC District Office
H-8	If total loss includes both liquid hydrocarbons and water, what do I list for total barrels?	Give Total of Both.	Appropriate RRC District Office
H-8	What should I list for location in Item #6?	Give legal description of location where loss occurred. (i.e.: Section, Block, Survey, Abstract or GPS Coordinates)	Appropriate RRC District Office

Terms

(Reporting crude oil, gas well liquids, or associated product loss)

1. **Liquid hydrocarbons** – Chemical combinations of varying hydrogen and carbon ratio such as are mixed in and composed crude oil.
2. **Barrels (BBL)** – A unit of measure of volume for petroleum products. One barrel (1BBL.) is the equivalent of 42 U.S. gallons or approximately 158.97 liters.
3. **Company** – The name of the entity reporting the loss (either producer or transporter) as designated on the Form P-5.
4. **Producer** – The person or company, whether proprietor or lessee, actually operating the oil well or lease (the operator).
5. **Transporter** – The person or company actually moving crude oil or gas well liquid from the lease.

Crude Oil, Gas Well Liquids, or Associated Products Loss Report – Form H-8

RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

Form H-8
(Eff. 6/4/70)

CRUDE OIL, GAS WELL LIQUIDS, OR ASSOCIATED PRODUCTS LOSS REPORT

1. Field Name (as per current proration schedule, including reservoir, if applicable)		2. RRC District	
3. Company		4. County	
		Check appropriate block(s): <input type="checkbox"/> Producer <input type="checkbox"/> Transporter <input type="checkbox"/> Other _____	
5. Lease Name(s) and RCC Lease Number(s) (if applicable)			
6. Location where Liquid Hydrocarbon (crude oil, gas well liquids, or associated products) Loss occurred (Section, Block, & Survey)			
7. Description of Facility from which Liquid Hydrocarbon Loss Occurred			
8. Name of Landowner where Liquid Hydrocarbon Loss Occurred		9. Type of Liquid Hydrocarbon Loss <input type="checkbox"/> Crude Oil <input type="checkbox"/> Gas Well Liquid <input type="checkbox"/> Other _____	
10. Date Liquid Hydrocarbon Loss Occurred		11. Date Liquid Hydrocarbon Loss Reported to RRC District Office by Telephone or Telegraph	
12. Total Barrels of Liquid Hydrocarbon Lost in Leak or Spill		13. Total Barrels of Liquid Hydrocarbon Recovered	14. Barrels of Liquid Hydrocarbon Unrecovered (Net Loss)
15. Did Liquid Hydrocarbon Loss Affect Inland or Coastal Water? (If yes, explain.)			
16. Cause of Liquid Hydrocarbon Loss (Explain.) (If additional space is required, attach page(s).)			
17. Remedial Measures Taken and How Successful (Explain.)			
18. Remarks			
I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.			
Date _____		Signature _____	
Company _____		Name of Person (type or Print) _____	
Street Address or P.O. Box _____		Title of Person _____	
City, State _____ Zip Code _____		Telephone _____ Area Code _____ Number _____	

(COMPANY MUST COMPLY WITH THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF.) (OVER)

-INSTRUCTIONS-

1. File the original and one copy of this form in the Railroad Commission District Office.
2. Immediate notification shall be given first by telephone or telegraph to the Commission District Office of a fire, leak, spill, or break in facilities causing a loss of more than five (5) barrels of crude oil, gas well liquids, or associated products and then followed by the filing of this form when appropriate measures have been taken.
3. This form complies with Statewide Rules 20 and 71 which require notification to the Commission of all fires, leaks, spills, or breaks of facilities which cause a loss of more than five (5) barrels of crude oil, gas well liquids, or associated products.
4. This form is for the emergency written notification of all fires, leaks, spills, or breaks in facilities causing a loss of more than five (5) barrels and is not a substitute for the monthly loss report required of common carrier pipelines by Statewide Rule 71.
5. The use of liquid hydrocarbon in this form refers to crude oil, gas well liquids, or associated products.

Application for Exception to Statewide Rules 26 and/or 27 (Commingling)

General Forms Required When Filing Request to Commingle Production (Liquid) From Two or More Leases/Wells

Check List	Form	Authorization
<input type="checkbox"/>	P-5	SWR 1 – Organization name to be filed and records kept.
<input type="checkbox"/>	Check \$	SWR 8 – Fees required to be filed.
<input type="checkbox"/>	P-17	SWR 26/27 – Exception to individual separation and storage and metering gas separately.
<input type="checkbox"/>	Plat	SWR 26/27 - Plat required for off lease storage and/or off lease metering.
<input type="checkbox"/>	PR	SWR 25 - Operator shall file report for each separate reservoir and/or each separate lease.
<input type="checkbox"/>	Specific	SWR 27 - Request for gas metering exception only.
<input type="checkbox"/>	Check \$	Required - Filing fee per application.
<input type="checkbox"/>	P-17	Required - Appropriate side of Form P-17.
<input type="checkbox"/>	Diagram	Required - Metering Diagram
<input type="checkbox"/>	Gas MCF	Required - If possible, 6 months gas MCF production figures.
<input type="checkbox"/>	Specific	SWR 26 - Request exception for off lease storage and/or off lease metering.
<input type="checkbox"/>	Check \$	Required - Filing fee per application.
<input type="checkbox"/>	P-17	Required - Appropriate side of Form P-17.
<input type="checkbox"/>	Plat	Required - Location plat.
<input type="checkbox"/>	Specific	SWR 55 –Exception to semi-annual testing.
<input type="checkbox"/>	P-17	Required – “Gas Commingling” side of Form P-17
<input type="checkbox"/>	Statement	Required - Statement providing status of well. Wells must produce less than 300 barrels per year per well.

Questions and Answers Pertaining to Form P-17

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
P-17	When is a filing fee (per application) required?	1) When filing a new application to Commingle 2 or more leases and/or gas wells. 2) When requesting off lease storage or off lease 3) When adding new/lease gas wells to an existing 4) When adding lease/gas well that has been reclassified, worked over or recompleted. 5) When requesting an exception to metering.	Production 512-463-6726
P-17	What is common separation & storage?	Common separation & storage is when production (oil & casinghead gas) from two or more oil leases is combined into one separating device.	Production 512-463-6726
P-17	What is common storage?	Common storage only is when each oil lease has it's own separating device and oil is stored in a common tank after separation.	Production 512-463-6726
P-17	What does the phrase "are all wells on each lease being commingled" mean?	If yes, this means all producing wells that are listed for a specific lease number are commingled. If no, this means all wells that are listed for a specific lease number are not commingled (Split Lease). In other words, wells that are not	Production 512-463-6726
P-17	What does effective month of commingling mean?	The effective month is the month that commingling actually begins or, if it ceases, the	Production 512-463-6726
P-17	Is exception to SWR 27 required for gas wells metered through a common meter?	Yes, if gas is not metered separately prior to going into common sales meter. No, if gas is metered separately from each well prior to being	Production 512-463-6726

Terms

(To commingle production (liquid) from two or more leases/wells)

1. **Location plat** – Plat which shows the location of all leases involved in the application. The plat should show the approximate location of L.A.C.T. units, meters, tank batteries, and any other separation metering, or storage facilities involved in the application.
2. **Metering and/or flow diagram** – A diagram which shows all meters, separators, and other production equipment. The purpose of the diagram is to show where production from each well is separated, metered, and/or commingled.

Form P-17 Requirements & Reporting Procedures

General Instructions for Filing Form P-17:

1. Form P-17 is filed as an exception to Statewide Rule 26 and/or 27 for the following:
 - A. Commingling of oil, condensate or a combination of oil and condensate. This is the only commingling situation in which a permit number will be assigned.
 - B. Production of gas wells full well stream to central facilities with condensate reported on Form R-3.
 - C. Gas metering exceptions.
2. Form P-17 and location plat is filed as an exception to Statewide Rule 26 and/or 27 for the following:
 - A. Off lease storage of oil or condensate.
 - B. Off lease metering of gas or liquids.
3. File an original with the Austin Railroad Commission Office. The approved original is returned to the operator and a copy is sent to the gatherer when applicable.
4. Commingling between operators is permitted.
5. "Date of Application" is the date you fill out the form.
6. "Effective Month of Commingling" should reflect the month initial commingling begins for a new permit or the effective month of addition to an existing permit. When a lease/well has become inactive and must be deleted from a permit, be sure all stock on hand has been disposed of before filing an updated P-17 to delete the permit or lease. The effective month of deletion should be the following month of the last disposition.
7. When adding or deleting leases/wells on an existing permit, check the box "ADD" or "DELETE" beside the lease I.D. number.
8. When only part of the wells on a given oil lease are commingled, list the well numbers beside the lease name, or on an attachment page.
9. A P-17 is not required for commingling of wells on an oil lease that are on the same lease or completed in the same reservoir of the same field. This is considered one lease and production from all wells is filed as a total on your Form PR production report.
10. When oil and condensate are commingled, total oil or total condensate must be metered prior to commingling because condensate is an allowable free liquid. An exception to metering may be requested where production is very low and must be accompanied by a letter of explanation, six months of production history for each lease/well, and a metering diagram.
11. Leases that do not have identical working and royalty interests in identical percentages must be metered prior to commingling. An exception to metering can be approved administratively if the Commission has not received a protest to the application after 21 calendar days notice of the application being mailed by the operator via certified mail, to all working and royalty interest owners.
12. "Casinghead Gas" should be marked in Item II when oil and casinghead gas production from two or more leases with the same royalty interests are produced through the same, or common separator.
13. When a lease/well has been reclassified or recompleted, any stock on hand must be reported under the old zone until disposed of, and should not be transferred to the new completion on production reports. You should also continue to show the old zone commingled on Form P-17 until all stock has been removed.

14. If there is a consolidation, unitization, or field transfer, stock is transferred on production reports and your P-17 should be updated accordingly.
15. When requesting off lease storage of liquids or off lease metering, show only the lease for which you are requesting off lease authority on the P-17, and attach a diagram showing the location of the facilities. Do not list the lease on which the facilities are to be located.
16. When producing gas wells full well stream to a gasoline plant or central facility where condensate is reported on Form R-3, your Form PR production report should show only the gas production and no condensate. (If condensate is also reported on the PR, then it is being double reported.) In this case, your Form P-4 should designate a "full well stream" gatherer and not individual gas and condensate gatherers. The R-3 facility is considered to be doing the commingling and not the individual operators. A permit number is not applicable for this type of commingling.
17. When gas wells are produced full well stream into a central facility with condensate reported on Form PR, your P-4 should show both a gas and a condensate gatherer and a permit number will be assigned.
18. Once a permit number has been assigned, you must enter that number in Column 4 of Form PR. Enter the permit number on the same lines as the lease name and lease number for each lease that is reported as commingled. The effective month shown on the P-17 should correspond to the filing of Form PR for new or updated permits.
19. Send a letter requesting cancellation of a permit when you cease commingling at a given facility. State the effective date of cancellation. All production must be zeroed out on the PR report, for the month prior to the permit cancellation effective date.
20. You are required by Statewide Rule 27 to measure gas from all wells prior to leaving the lease. You may request an exception to metering gas by filing Form P-17 along with a letter of explanation, showing six months production history for each well and a metering diagram.

Reporting Procedure for Commingling Permits Involving Plant Products

The operator and gatherer are required to coordinate the proper reporting of the liquid run volumes from the properties on the attached Form P-17. Producers must furnish plant allocation to gatherers for use in preparation of Form T-1.

The receipt of plant liquids (facility reporting liquids on forms other than Form PR should be reported separately on Page 1A of Form T-1). The lease oil and/or condensate receipt must be shown on Page 2 of Form T-1. If a commingling permit number is assigned, it applies to the lease liquids only.

The plant liquid must be metered prior to commingling.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Rev. 04/2015

**APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27**

New
 Amended Existing Permit No. _____
Effective Month/Year of Requested
Exception: _____ / _____
District _____
County _____

SECTION 1. OPERATOR INFORMATION				
Operator Name:		Operator P-5 No.:		
Operator Address:				
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)				
Gatherer Name:		Gatherer P-5 No.:		
Gatherer Address:				
Gatherer E-mail Address: (Optional – If provided, e-mail address will become part of this public record.)				
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): <input type="checkbox"/> OIL <input type="checkbox"/> CASINGHEAD GAS <input type="checkbox"/> GAS WELL GAS <input type="checkbox"/> CONDENSATE				
a) <input type="checkbox"/> Gas well full well stream into common separation and storage facility with liquids reported on Form PR. b) <input type="checkbox"/> Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.) c) <input type="checkbox"/> Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities. d) <input type="checkbox"/> This request is for off lease: <input type="checkbox"/> Storage <input type="checkbox"/> Separation <input type="checkbox"/> Metering e) <input type="checkbox"/> This exception is for common storage. f) <input type="checkbox"/> This exception is for common separation. g) <input type="checkbox"/> This exception is for casinghead gas metering by: <input type="checkbox"/> Deduct Metering <input type="checkbox"/> Allocation by well test <input type="checkbox"/> Other _____ h) <input type="checkbox"/> This exception is for gas well gas metering by: <input type="checkbox"/> Deduct Metering <input type="checkbox"/> Allocation by well test <input type="checkbox"/> Other _____				
SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)				
The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:				
a) <input type="checkbox"/> The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5) b) <input type="checkbox"/> The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required) c) <input type="checkbox"/> The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required) if b. or c. checked, production will be allocated by: <input type="checkbox"/> W-10 (oil) <input type="checkbox"/> W-2 retest (oil) <input type="checkbox"/> PD Meter (oil & condensate) <input type="checkbox"/> G-10 (gas) d) <input type="checkbox"/> The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements) e) <input type="checkbox"/> The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required) f) <input type="checkbox"/> The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required) g) <input type="checkbox"/> Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)				
SECTION 5. <input type="checkbox"/> Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)				
SECTION 6. <input type="checkbox"/> For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)				
SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)				
DISTRICT	RRC IDENTIFIER	ACTION		LEASE AND FIELD NAME
		<input type="checkbox"/> Existing	<input type="checkbox"/> Add <input type="checkbox"/> Delete	
		<input type="checkbox"/> Existing	<input type="checkbox"/> Add <input type="checkbox"/> Delete	
		<input type="checkbox"/> Existing	<input type="checkbox"/> Add <input type="checkbox"/> Delete	
		<input type="checkbox"/> Existing	<input type="checkbox"/> Add <input type="checkbox"/> Delete	
ATTACH ADDITIONAL PAGES AS NEEDED. <input type="checkbox"/> No additional pages <input type="checkbox"/> Additional pages _____ (# of additional pages)				
FEE: \$150 Filing Fee + \$225 Surcharge = \$375 total remittance required (See Statewide Rule 78)				
CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.				
Signature _____		Title _____		Date _____
Operator E-mail Address: _____		Operator Phone No. _____		
(Optional – If provided, e-mail address will become part of this public record.)				
RRC USE ONLY				
Commingling Permit No. _____		Approval date: _____		Approved by: _____

FORM P-17 INSTRUCTIONS

RAILROAD COMMISSION OF TEXAS (RRC)
REFERENCE: STATEWIDE RULES 26, 27, 55, 71
EFF 04/2015

**REVIEW AND BECOME FAMILIAR WITH SWR 26 AND SWR 27 BEFORE FILING FORM P-17.
FOR ADDITIONAL INSTRUCTIONS PLEASE CONSULT
THE PERMITTING & PRODUCTION SERVICES FILING PROCEDURES MANUAL.**

GENERAL

WHEN TO FILE. Oil/condensate and natural gas production must be measured prior to leaving the lease and/or custody transfer. Liquid production from each lease/gas well must be placed in a separate stock tank if stored on the lease prior to custody transfer. An exception to individual lease/gas well metering and storage may be requested by filing Form P-17 with supporting documentation as required.

WHO FILES. An operator of oil and gas production under authority of the Railroad Commission (RRC) P-5 who is responsible for compliance with Statewide Rules 26, 27, and/or 55 files Form P-17 in accordance with these instructions.

COMPLIANCE. In order to file a Form P-17, the applicant must have on file with the RRC a current P-5 Organization Report and financial assurance (if required) and must be in compliance with all RRC rules and orders. The applicant must be the operator of the commingled facility as shown in SECTION 1 on Form P-17.

WHERE AND WHAT TO FILE. File the original and two copies of Form P-17 and any required attachments and fees with the Railroad Commission by hand delivery or mail to the following address: Railroad Commission of Texas, P. O. Box 12967, Austin, Texas 78711-2967.

FEES. A filing fee of \$150 and a surcharge of \$225, for a total of \$375 are required with each Form P-17, unless the only purpose for filing Form P-17 is to delete a lease(s) or well(s) from an existing commingling permit. Fees are non-refundable. Make checks or money orders payable to "Railroad Commission of Texas." The Commission also accepts payment by credit card. For information about payment by credit card, see <http://www.rrc.texas.gov/about-us/resource-center/research/data-sets-available-for-purchase/credit-cards/>

PURPOSE OF FILING. File Form P-17 as provided for in Statewide Rules 26, 27 and 55 for the following:

- (1) surface commingling of liquid hydrocarbon (oil, condensate or a combination of oil and condensate) production into a common facility OR surface commingling of liquid hydrocarbons and gas production into a common facility with liquids reported on Form PR (these are the only commingling situations in which a permit number will be assigned for reporting on Form-PR, Production Report);
- (2) production of gas wells full well stream to a plant/common facility with liquids reported on Form R-3;
- (3) gas metering exceptions;
- (4) off-lease separation/storage/metering.
- (5) amending an existing surface commingling permit (complete SECTIONS 1 through 6 of Form P-17).

File Form P-17 to amend an existing surface commingling approval if a lease consolidation, unitization, field transfer, or work-over/re-completion of a surface commingled lease/gas well occurs. In addition, stock on hand must be transferred on Form PR.

IMPORTANT TERMS

Common separation and storage: production from two or more leases or wells is combined into one separating device/facility with the liquids placed in common storage.

Common storage only: when each commingled lease or well has a separating device and the liquids are stored in a common tank after individual separation.

Deduct Metering: a method of allocating production to a non-metered gas well by subtracting other individually measured well volumes from the total measured gas volume.

District and County (top, right-hand corner): the Railroad Commission District and County where the commingling facility is physically located.

Effective Month/Year of Requested Exception (top, right-hand corner): the initial month of surface commingling (or amendment/change effective month) and the reporting of commingled production on a combined report. The "effective Month/Year" is the month that commingling actually begins.

Effective month of deletion: When a lease/well becomes inactive and must be deleted from a permit, all stock on hand must be disposed of before filing an amended Form P-17 to delete the lease/well. The effective month of deletion should be the month following the month of the last disposition of production. When discontinuing the operating and reporting of facilities, the Commission and the gatherer must be notified of the effective month of permit cancellation.

Location plat: a plat that shows the location of all leases involved in the application. A location plat is required with a Form P-17 for (1) off lease storage of oil or condensate or (2) off lease metering of gas or liquids. The location plat should show the approximate location of L.A.C.T. units, meters, tank batteries, and any other separation, metering, or storage facilities involved in the surface commingling application.

Off-Lease: A location or lease not listed in this application.

RRC Identifier: all existing or new oil lease numbers, gas identification numbers, or drilling permit numbers as applicable on Form P-17.

INSTRUCTIONS FOR SECTION 3. REQUEST TO COMMINGLE

BOX 3.a. When **producing a gas well full well stream into a common facility with condensate reported on Form PR**, the Form P-4 should show both a gas gatherer and a condensate gatherer. A commingling permit number will be assigned and must be reported on Form PR for the individual wells.

BOX 3.b. When **producing a gas well full well stream to a gasoline plant or common facility where condensate is reported on Form R-3**, the Form PR for the well should show only the full well stream gas production volume and no condensate. The Form P-4 should designate a "full well stream" gatherer but no condensate gatherers. The commingling occurs at the facility reported on Form R-3, Monthly Report for Gas Processing Plants. A permit number is not issued for this type of commingling and is not reported on the Form-PR.

BOX 3.d. When requesting **off lease separation and/or storage of liquids or off lease metering**, show only the lease requesting off lease authority on the Form P-17 and attach a location plat showing the location of the facilities. Do not list the lease on which the facilities are to be located.

INSTRUCTIONS FOR SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD

Notice of application (NOA) is NOT required if you check any one of BOXES 4.a, 4.b, 4.e or 4.f.

Notice of Application (NOA) IS required if you check BOX 4.c. If the royalty and working interest owners of all leases producing into the common separation and/or storage facility are not the same and you do not meter before commingling, you must provide a 21-day notice of this application to, or waivers of objection from, the royalty and working interest owners in accordance with SWR 26(b)(1)(C).

In addition, if you DO NOT check BOX 4.a., you must indicate the method of allocation of production in accordance with SWR 26(b)(3). ATTACH to this FORM P-17 a diagram/schematic that shows all meters, separators, and other production equipment where production from each well is separated, metered, and/or commingled.

ADDITIONAL notice of application (NOA) IS required if you check BOX 4.d. and/or 4.g., but do NOT check BOXES 4.e, & 4.f. If the wells proposed for commingling produce from multiple reservoirs or any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted, you must provide additional notice of the application **to all offset operators** of adjacent tracts having one or more wells producing from the same reservoirs (SWR 26(b)(4)). ATTACH to this Form P-17 an Affidavit stating that notice of the application was sent by certified mail or that waivers of objection were received.

INSTRUCTIONS FOR SECTION 5. NAME OF WELL OPERATOR

Check the BOX in SECTION 5 if the operator of any well proposed for commingling is different from the operator listed in SECTION 1 of the Form P-17. If you check this box, ATTACH a listing of the name of each "other" operator and Form P-5 operator number and, for each operator, all the information required under SECTION 7 of the Form P-17.

INSTRUCTIONS FOR SECTION 6. PRODUCTION OF ALL OIL WELLS TO BE COMMINGLED.

CHECK the box in SECTION 6 if **all producing wells listed** under all specific oil lease numbers on the proration schedule for the effective month **are being commingled** under this application. If this box is checked, individual well numbers for each oil lease number listed under SECTION 7 do not need to be listed. DO NOT CHECK the box in SECTION 6 if production from only some of the wells under any oil lease number is commingled under this application.

INSTRUCTIONS FOR SECTION 7. LEASES SHOWN ON PRORATION SCHEDULE.

DISTRICT: Indicate the Commission district associated with the RRC identifier.

RRC IDENTIFIER: For new applications, list each RRC oil lease or gas ID number to be surface commingled. If the lease or ID number has not yet been assigned, list the drilling permit number of the wells proposed for commingling. If more space is needed, complete the list of leases on an additional page and attach it to Form P-17.

ACTION: List all existing leases or wells and all wells that are being added to or deleted from the permit and check the appropriate box to indicate the action.

LEASE NAME: Indicate the name of the lease. If the lease identifier is pending, also provide the field name.

WELL NO.: When only part of the wells on a given oil lease are commingled, list the individual well numbers to be commingled in the "Well No." column. If the wells exceed the space provided, ATTACH a list to the Form P-17. It is not necessary to list the gas well numbers because gas leases only have one well. If all of the wells of an oil lease are being included, the word "all" can be inserted in the "Well No." column as opposed to listing each well.

COMMISSION APPROVAL OF FORM P-17:

Upon approval of the Form P-17, the Railroad Commission will mail an approved copy to both the applicant and the gatherer.

Any exception to Statewide Rule 26 or 27 granted by the Railroad Commission through the approval of a Form P-17 is contingent on the applicant obtaining all related required approvals from other affected state agencies.

In addition, if a protest is registered with the Railroad Commission concerning the installation and/or operation of the facilities approved at any time following approval, the exception to SWR 26 and/or 27 shall be subject to cancellation by the Railroad Commission if, after due notice and hearing, cancellation is justified.

Application for Exception to Statewide Rule 32 (Flare/Vent Gas)

Procedure to Obtain and Exception to Flare/Vent Gas

When an exception is not required:

The following releases of gas resulting from routine oil and gas production operations are necessary in the efficient drilling and operation of oil and gas wells and are hereby authorized subject to the requirements of subsection (e) of this section. The released gas shall be measured or estimated in accordance with §3.27 of this title (relating to Gas to be Measured and Surface Commingling of Gas) and reported and charged against lease allowable production.

Gas may be released for a period not to exceed ten producing days after initial completion, recompletion in another field, or workover operations in the same field, including but not limited to perforating, stimulating, deepening, cleanout, well maintenance or repair operations.

Gas from a well that must be unloaded or cleaned-up to atmospheric pressure may be vented to the air for periods not to exceed 24 hours in one continuous event or a total of 72 hours in one calendar month.

When an exception is required:

In the event of a full or partial shutdown by a gas gathering system, compression facility, or gas plant, gas from a lease production facility served by that gas gathering system, compression facility or gas plant may be released for a period not to exceed 24 hours. The operator shall notify the appropriate Commission District Office by telephone or facsimile as soon as reasonably possible after the release of gas begins. An operator may continue the release by flaring or by venting of the gas, if flaring is not required for safety reasons or by other regulation, beyond the initial 24-hour period, pending Commission approval or denial of a request for an administrative exception under subsection (h) of this section. The operator shall file the request with the Commission by the end of the next full business day following the first 24 hours of the release unless the deadline is extended by the Commission or the Commission's delegate.

The request for an exception shall be accompanied by the SWR 32 Data Sheet and a \$375.00 filing fee. Gas being flared/vented must be measured or accurately estimated and must be reported on the Monthly Production Report (Form PR) under the disposition code 4.

A renewal for an existing exception requires an updated SWR 32 Data Sheet and a \$375.00 filing fee. Must be filed 21 days prior to the expiration showing significant changed conditions with regards to efforts to either market the subject gas or direct the gas to legal use, or for other good cause shown.

An administrative renewal shall not exceed a period of 180 days.

Requires an RRC administrative hearing if 50 MCF/day or greater for duration longer than 180 days.

May be indefinitely approved administratively with adequate justification if less than 50 MCF/day.

Statewide Rule 32 exceptions are not transferable upon change of operatorship. Operator has 90 days to re-file the exception once the P-4 transfer has been approved.

Statewide Rule 32 Exception Data Sheet

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)

Revised

(FILING FEE REQUIRED)

\$375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: _____
 Operator Name & Address: _____

 Well/Lease/Plant/System Name _____
 24 hr Emergency # () _____
 RRC DISTRICT _____
 COUNTY _____
 Field _____

Identification by ID# (Indicate Type):
 _____ API# _____ Gas ID# _____ Lease ID# _____ Drilling Permit# _____ Commingle Permit# _____ Plant ID# _____
 Number(s)

Type of gas to be flared/vented (mark box): _____ Casinghead Gas _____ Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)? _____ Yes _____ No

If yes*, Form H-9 Certificate # _____ H₂S Concentration _____ ppm

***Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP**

Disposition of gas (mark box): _____ Flare _____ Flare Stack/Height _____ Flare Pit _____ Vent

Time period requested (days, months): _____ Effective __/__/__ Expiration __/__/__

Volume to be flared/vented during time period requested:

_____	_____	_____	_____
MCF/D per well or	MCF/D per lease or	MCF/D per plant/system or	MCF total for time period

Method of Measurement: _____

Purpose of Filing (circle): No Pipeline* System Upset Clean Up/Test Well Size Compressor Other

*If no, distance to nearest pipeline _____ mile(s) – attach map showing location of site and nearest pipeline(s).

Explanation: _____

Before an exception can be granted, the following information must be submitted with this data sheet:

- * Explanation as to why the operations cannot be shut-in and the gas must be vented or flared
- * If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented
- * Explanation of how all legal uses for casinghead gas have been investigated and exhausted
- * Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)

OPERATOR'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to request this exception, that this data sheet and its attachments were prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Typed or printed name of operators' representative _____ Title _____

Telephone: Area Code - Number _____ Date _____ Signature _____

Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address _____@_____.

RRC USE ONLY

Administrative action: Approved _____ Denied _____

Permit Number _____ Effective Date _____ Expiration Date _____

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to: RAILROAD COMMISSION OF TEXAS
 TERRY EDWARDS
 PO BOX 12967
 AUSTIN TX 78711

Questions and Answers Pertaining to Statewide Rule 32

Questions Pertaining to (Form, Rule, Procedure)	Questions	Answer	Contact
SWR 32	I know I will need an exception to flare gas for 5 days in the next 28 days but I do not know the exact starting date of the operation. How do I apply for an exception?	The SWR 32 exception application data sheet and required fee should be filed in advance, showing a time period of 28 days and an effective date and expiration date that are 28 days apart. The phrase "Requesting to flare for 5 days during the 28 day time period" should appear in the explanation. If approved, the operator may flare for up to 5 days during the 28 day period after giving the District Office 24 hours notice of the starting date of the operation.	Engineering Unit 512-463-3840
SWR 32	May I e-mail or fax the Commission my request to flare/vent?	A request for an exception to cover an operating emergency, system upset, or other unplanned release of gas may be submitted by e-mail or fax, provided that an original signed exception application data sheet and the required fee are received by the Commission within three (3) working days of the fax or e-mail. Exception requests to vent/flare planned releases may not be faxed or e-mailed.	Engineering Unit 512-463-3840
SWR 32	May I receive verbal approval to flare/vent?	Yes. The SWR 32 exception application data sheet and fee are required for each lease number, gas ID number, plant ID number or surface commingle permit number. Under SWR 32 (h)(8), one application and fee for exception may be filed for releases from multiple gas wells, Commission-designated oil leases, gas gathering systems, gas compressors or other gas handling facilities when the release of gas is the result of a full or partial shut-down of a gas gathering system, gas plant, gas compressor or other gas handling facility. The Commission will however call an operator when an exception has been approved if the operator requests verbal confirmation.	Engineering Unit 512-463-3840
SWR 32	May I use photo-copies of the SWR 32 exception data sheet?	Yes, but the data sheet is periodically revised. An operator can obtain the latest data sheet directly from the Commission in Austin or the District Office. If an operator desires to use computer generated forms, the forms must first be approved by the Admin. Services Section of the Oil and Gas Division.	Engineering Unit 512-463-3840
SWR 32	Can I get a permanent exception to flare/vent gas?	Permanent exceptions for up to 50 MCFD per gas well or individual oil well may be administratively granted after submitting an application data sheet and fee. Permanent applications for volumes of gas greater than 50 MCFD require a signed Commission Order.	Engineering Unit 512-463-3840
SWR 32	Do I still have to measure and report the gas after I receive an exception to SWR 32?	Yes! All gas produced, except exempt gas releases under SWR 32 (d), must be measured and reported on the appropriate Commission form, even if an exception has been granted.	Engineering Unit 512-463-3840