Section J – Forms Required for the Movement and/or Storage of Liquid Hydrocarbons

General Forms Required for Reporting the Movement and/or Storage of Liquid Hydrocarbons

Additional Associated Documents

Questions and Answers Pertaining to Monthly Transportation and Storage Report

General Instructions for Filing Form T-1

CORRECTED REPORTS

Form T-1 – Monthly Transportation and Storage Report

Forms and Materials Required to Obtain a Pit Permit

Questions and Answers Pertaining to Pit Applications and Reporting

H-11 – Application for Permit to Maintain and Use a Pit

CF-1 – Commercial Facility Bond

CF-2 – Irrevocable Standby Letter of Credit

Form P-18 – Skim Oil/Condensate Report

Forms and Materials Required to Obtain a Reclamation Plant Permit

Questions and Answers Pertaining to Reclamation Plant Applications and Reporting

Form R-9 – Application for Permit to Operate a Reclamation Plant

Form R-2 – Monthly Report for Reclaiming and Treating Plants

Form R-2 Receipt Example

Forms Required by Refineries

Questions and Answers Pertaining to Refinery Report

Form R-1 – Monthly Report and Operations Statement for Refineries

Forms Required by Gas Processing Plants

Form R-5 – Certificate of Compliance

Form R-6 – Application for Certificate of Compliance

Form R-3 Monthly Report for Gas Processing Plants

Summary of Form R-3 Balancing Conditions

Forms Required by Underground Storage of Natural Gas Operations for Monthly/Annual Reporting

G-3 – Gas Storage Data Sheet

Annual Gas Storage Operator Report
General Forms Required for Reporting the Movement and/or Storage of Liquid Hydrocarbons

<table>
<thead>
<tr>
<th>Check List</th>
<th>Form</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>P-5</td>
<td>SWR 1 - Organization name to be filed and records kept.</td>
</tr>
<tr>
<td>□</td>
<td>T-1</td>
<td>SWR 59 - Monthly transportation and storage report. Original report filed in Austin office. Due the last day of the month following the month of operations.</td>
</tr>
<tr>
<td>□</td>
<td>T-1  (Page 1)</td>
<td>Overview – Beginning stock, total receipts from leases, receipts from other sources, deliveries, and stock end of month.</td>
</tr>
<tr>
<td>□</td>
<td>T-1  (Page 1A)</td>
<td>Receipts from Other Sources</td>
</tr>
<tr>
<td>□</td>
<td>T-1  (Page 1B)</td>
<td>Deliveries</td>
</tr>
<tr>
<td>□</td>
<td>T-1  (Page 2)</td>
<td>Receipts from leases – Must correspond to amounts reported on production reports (PR)</td>
</tr>
<tr>
<td>□</td>
<td>T-1  (Page 3)</td>
<td>Detail statement of stock on hand</td>
</tr>
</tbody>
</table>
## Additional Associated Documents

<table>
<thead>
<tr>
<th>Check List</th>
<th>Form</th>
<th>Authorization</th>
</tr>
</thead>
</table>
|            | P-3    | **SWR 58** – Report of recovered frac or load oil.  
A) Filed by producer of well being fraced. Copy sent to gatherer prior to movement of recovered frac material. |
|            | OM     | **Letter of Authority** – Required for movement of waste oil. Issued by compliance section of RRC. |
|            | P-18   | **SWR 56** – Monthly scrubber oil and skim hydrocarbons report. |
|            | H-8    | **SWR 20** – Crude oil, gas well liquids or associated products loss. Notification of fire, breaks, leaks, or blowouts. |
|            | R-1    | **SWR 60 & 61** – Monthly report and operations statement for refineries. Due by the 15th of the month following the month of operation. |

### Other Forms That May Be Applicable

A) If gathering from leases.

| Form   | **SWR 58** – Producer’s certificate of compliance and authorization. Letter of approval sent to operator and gatherer by RRC. |
**Questions and Answers Pertaining to Monthly Transportation and Storage Report**

<table>
<thead>
<tr>
<th>Questions Pertaining to:</th>
<th>Question</th>
<th>Answer</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-1</td>
<td>Who should file the T-1 report?</td>
<td>The company who physically moves or stores crude or condensate should file a T-1 report.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>Who should file the T-1 report if a company is only buying and selling material (liquid hydrocarbons) and is paid only for transportation of the material?</td>
<td>The T-1 report would be filed by the company moving the liquids.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>Who should file the T-1 report if a company is hiring a contract hauler to transport their material?</td>
<td>If a company hires a contract hauler to move their material (by contract hauler, meaning never takes title to this or other liquid hydrocarbons and is paid only for transportation of the material) the T-1 report would be filed by the company who hires the contract hauler.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>When should products be reported on the T-1 report?</td>
<td>Products should be reported on the T-1 report and identified as a product when a refined material is mixed with crude or condensate.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>Why file the T-1 report if there was no transaction made for a given month?</td>
<td>The T-1 must be filed if there is stock on hand. File zero report if no stock on hand to inform the RRC that the company is still active but had no transactions for a given month.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>How did you find out how much gas (MCF) was moved by a company?</td>
<td>The gas (MCF) movement is not traced as is the liquids. The gas is not reported on the transportation report.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>How can someone obtain the RRC Number required in Column 5 of Pages 1-A and 1-B of the T-1</td>
<td>A good source should be to contact the company delivering or receiving the material. If no number is available, contact the T-1 audit section of the RRC.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>OFFSHORE LEASES OR GAS WELLS</td>
<td>We would ask that prior to operation, the company involved in any offshore reporting send a detailed map of the offshore facilities with a letter of explanation for the Commission to review.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>When can the overage and shortage lines in the delivery section of the T-1 be used to balance the</td>
<td>The purpose of the overage and shortage section is to adjust volume variation. This amount should not exceed 1% of the total deliverables.</td>
<td>Production 512-463-6726</td>
</tr>
<tr>
<td>T-1</td>
<td>How do I file my receipt from leases (Page 2) if a RRC Lease # or Gas ID # has not yet been assigned?</td>
<td>File using the drilling permit number in column number 3.</td>
<td>Production 512-463-6726</td>
</tr>
</tbody>
</table>
The Commission is charged with regulating the gathering and transportation of crude/condensate. To make its regulation effective, it has adopted a Form T-1, “Monthly Transportation and Storage Report,” that shows receipts and deliveries of crude/condensate through blending, commingling, or other upgrading process, the volume of crude is increased so that additional support identity is needed. This means any product blended must be reported on T-1 and receipts properly supported. As a general rule, any crude, condensate, and/or non-refined products (that enter the “crude stream” of a transportation system prior to the refining operation) shall be reported on Form T-1. The word “products” used here and as stated in Statewide Rule 59 (D)(1) and (2) means natural hydrocarbon liquids as distinguished from refined products. Any refined products that do not enter or are not commingled into the “crude stream” of a transportation system prior to the refining operation shall not be reported on Form T-1.

The following general instructions are for your assistance in the preparation of Form T-1:

1. The main purpose of the Form T-1 is to trace the physical movement of liquid hydrocarbons (crude/condensate) and not the purchasing and selling of materials.
2. Notify the Commission in writing when you will no longer be filing a Form T-1 report. Be sure that all stock on hand has been disposed of before you cease filing.
3. These original reports are filmed as a permanent record and must be original or of original quality, with an original signature, current certification date and telephone number. Show a good, clear, original signature and type the name next to the signature. The report should be typed or written in black or blue ink. Red ink or pencil will not film.
4. All forms prepared on automatic data processing equipment must have Commission approval prior to initial filing; otherwise RRC forms should be used.
5. File a separate page for each district in each page category (1A, 1B, 2, 3). If you use only the Page 1 to report receipts from other sources or deliveries, indicate the district for each movement. Read and follow the instructions on the reverse side of each page of the form.
6. Page 1 must balance as follows: Opening stock, plus receipts minus deliveries should equal closing stock on hand. The purpose of overage and shortage is for temperature variation only, and should not exceed 1% of your total deliveries. Subtract out overages and add in shortages.
7. Any losses reported on Form H-8 resulting from fire, leak, spill, or break in facilities should be shown on Page 1B as a delivery with a short explanation and referencing on the date of the loss.
8. No gatherer or transporter shall make a receipt on Page 1A of Form T-1 of crude and/or condensate, or other material to be blended and delivered as crude or blended crude without proper support (such as Railroad Commission assigned facility number or a letter of authority granted by the Railroad Commission of Texas Compliance Section). Receipts made without proper support may be subject to confiscation by the Commission.
9. Refined products should not be reported on the Form T-1 unless they are combined with crude oil. They should then be reported as a separate receipt and specifically identified as to type of product.
10. Upon receipt of discrepancy letters, contact the other company involved and resolve the difference. The company in error should file a corrected report. On a copy of our discrepancy
letter indicate, in a marginal note, how you will resolve the discrepancy and return this copy to the undersigned.

11. Upon receipt of delinquent letters, contact the undersigned by phone or letter as to the reason for the delay.

12. Show one receipt only for each lease or I.D. or commingled permit number on Page 2. Do not report receipts from oil leases by individual well number.

13. You should make no receipts from leases on Page 2 unless you are the authorized gatherer as shown on Commission Form P-4 filed by the operator and approved by the Commission. The transporter will receive notification of approved P-4 by the Railroad Commission. The only exceptions to an approved Form P-4 would be a temporary gatherer letter or a special clearance issued prior to assignment of an allowable for movement of test oil.

14. Indicate with Drilling Permit Numbers, in the Gas Well Identifier column, those leases for which numbers have not yet been assigned. Show the correct lease or I.D. number as soon as notification of same has been made.

CORRECTED REPORTS

1. Corrected report must also be original or of original quality with a current date and an original signature (name stamps and initials are unacceptable).

2. A completed Page 1 must be filed with all corrections.

3. Show only the corrected data on Pages 1A, 1B, and 2. A complete refiling of the original report is not necessary. Example:
   a. Was Reported As: (List exactly as shown on original report.)
   b. Should Be Reported As: (List the correct information.)
   c. Was not Reported: (List the information that was left out of the original report.)

4. When deleting incorrect data, show the same information as on the original report with a zero receipt/delivery.

5. When moving a receipt from one district to another, show a zero receipt/delivery in the incorrect district and the correct amount in the proper district.
Form T-1 – Monthly Transportation and Storage Report

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
MONTHLY TRANSPORTATION AND STORAGE REPORT

Operator: Ace Trucking Company
Address: Box 1282
City: Linden
State: Texas
Zip Code: 68203

Month: November
Registration No.: 06 - 6666

Corrected Report: [ ]

<table>
<thead>
<tr>
<th>Description</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE AVAILABLE FOR MOVEMENT (BEGINNING OF MONTH)</td>
<td>5,085</td>
</tr>
<tr>
<td>FROZEN STOCK</td>
<td>-</td>
</tr>
<tr>
<td>LIQUID HYDROCARBONS IN LINE</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL STOCK 7 A.M. (BEGINNING OF MONTH)</td>
<td>5,085</td>
</tr>
</tbody>
</table>

RECEIPTS FROM LEASES

<table>
<thead>
<tr>
<th>Description</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS FROM LEASES - CRUDE</td>
<td>6,209</td>
</tr>
<tr>
<td>RECEIPTS FROM LEASES: - LIQUIDS FROM GAS WELLS REPORTED BY PRODUCER ON FORM P-2</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,885</td>
</tr>
</tbody>
</table>

RECEIPTS FROM OTHER SOURCES

<table>
<thead>
<tr>
<th>1. RECEIVED FROM</th>
<th>2. FACILITY NAME</th>
<th>3. RRC Number</th>
<th>4. Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>15,575</td>
</tr>
</tbody>
</table>

TOTAL: 15,757
TOTAL ALL RECEIPTS: 22,460
STOCK FIRST OF PERIOD PLUS RECEIPTS: 27,545

DELIVERIES

<table>
<thead>
<tr>
<th>1. DELIVERED TO</th>
<th>2. FACILITY NAME</th>
<th>3. RRC Number</th>
<th>4. Actual Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,750</td>
</tr>
</tbody>
</table>

TOTAL: 3,750
OVERAGE: -
SHORTAGE: -
TOTAL DELIVERIES: 3,750
TOTAL STOCK END OF MONTH (DETAIL ON PAGE 3)
FROZEN STOCK: -
LIQUID HYDROCARBONS IN LINE: -
BALANCE AVAILABLE FOR MOVEMENT (END OF MONTH): 23,795

Certificate
I declare under penalties prescribed in Sec. 93.145, 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 therein are true, correct, and complete, to the best of my knowledge.

Signature ________________________________
Date: Dec. 16, XXXX
Title: President
Telephone No.: (214) 454-XXXX
Area Code: ____________
Number: ____________

Current certification date and original signature required on all forms.
A. Time and Place of Filing –
This report shall be filed with the Railroad Commission at Austin, Texas, on or before the last day of the calendar month following the month covered by the report. One copy of this report shall be filed in each District Office in which the transporter operated, covering the operations for that district.

B. Order of the Report –
Page Number 1 shall be a complete recap of Pages 1-A, 1-B, 2, and 3.

C. Volumes –
All volumes of crude oil, condensate, and/or products shall be reported in net barrels and computed by Commission approved methods of measurement.

Do not use fractions of barrels in this report.

D. Specific Instructions –
See detailed instructions on reverse side of Pages 1A, 1B, 2, and 3.

E. Corrected Reports –
1. Any corrections made to Form T-1 must be made to the report covering the month in which the error was made. Prior month adjustments may not be made on current reports.
2. A corrected Page 1 showing current certification date and signature must be filed with a correction to any portion of the report whether totals are changed or not.

F. General Instructions –
Show receipts and/or deliveries in the reporting period that the transfer was initiated.

Statewide Rule 59 (D) (1) (2)

(1) Each gatherer, transporter, storer, and/or handler of crude oil and/or products shall file with the Commission on or before the last day of each calendar month a report, “Monthly Transportation and Storage Report”, showing the required information concerning the transportation operations of such gatherer, transporter, or storer for the next preceding month. Such form is incorporated in and made a part of this rule.

(2) The original of the report, covering all of the operations of the gatherer, transporter, storer, and/or handler of crude oil and/or products, shall be filed in the Austin Office of the Commission. One copy of the report shall be filed in each District Office in which the gatherer, transporter, storer, and/or handler of crude oil and/or products operates, but may include only the information pertaining to the operations in that District in which it is filed.

Note: Effective December 29, 1994, the Commission no longer requires filing copies of the Form T-1 to Commission district offices.

The original of the Form T-1, covering all operations, is required to be filed in the Austin office of the Commission. Statewide Rule 59 and the Form T-1 are being reviewed for revisions.
RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
MONTHLY TRANSPORTATION AND STORAGE REPORT

Operator: Ace Trucking Company

Address: Box 1282

Separate Page 1-A must be used for each district.

Month: 20
Registration No.: 06 - 6666
RRC District: 06
Sheet No.: 1

RECEIPTS FROM OTHER SOURCES

<table>
<thead>
<tr>
<th>1</th>
<th>RECEIVED FROM</th>
<th>2</th>
<th>FACILITY NAME</th>
<th>3</th>
<th>RRC Number</th>
<th>4</th>
<th>Actual Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FRAC OIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ARROW OIL COMPANY</td>
<td></td>
<td>Point Lease</td>
<td>06203</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BROWN PRODUCTION</td>
<td></td>
<td>Dickerson Lease</td>
<td>06622</td>
<td>150</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DADE OIL COMPANY</td>
<td></td>
<td>River Tract 2</td>
<td>00306</td>
<td>125</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Include Form associated with this number: ie. T-1, R-1, R-3, P-18

On imports, show type of material, company name, address, phone number, and point of origin.

<table>
<thead>
<tr>
<th>1</th>
<th></th>
<th>2</th>
<th>IMPORTS</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>KEN-TEX OIL COMPANY (CRUDE)</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Box 603</td>
<td>Louisiana</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shreveport, Louisiana</td>
<td></td>
<td>405-666-XXXX</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BLAIR TRADING COMPANY</td>
<td>New Mexico</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(#6 Fuel Oil Used for Blending)</td>
<td></td>
<td>603 Front Street</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>603 Front Street</td>
<td></td>
<td>Hobbs, New Mexico</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>606-483-XXXX</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OTHER

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clay Pipe Line Company</td>
<td>Centerpoint Station</td>
<td>T-1 06 - 0203</td>
<td>3,000</td>
</tr>
<tr>
<td>Karo Trucking</td>
<td>Jones Facility</td>
<td>T-1 05 - 0102</td>
<td>2,200</td>
</tr>
<tr>
<td>Waco Oil Company</td>
<td>Ship Ballast</td>
<td>Use Oil Movement Authority Number. Ex: OM# 08-1782</td>
<td>1,000</td>
</tr>
</tbody>
</table>

TOTAL DISTRICT 06: 15,575
A. **Order of the Report** – Preparation of Page 1A “Receipts from Other Sources” shall be in Commission District order, listed by categories of receipts in the following order:

1. **Frac Oil** – Liquid received on Form P-3 authority. Show Railroad Commission oil lease number or gas well identification number as shown on Form P-3 in Column 3.

2. **Imports** – Liquid received from another state or foreign country. (See Instruction D.)

3. **Other** – Receipts other than frac oil or imports.

   Within each category, list receipts alphabetically by company. Separate Page 1A sheets are required for each district.

B. **Volumes** – All volumes shall be reported in net barrels and computed by Commission approved methods of measurement. Do not use fractions of barrels in this report.

C. **Specific Columns** –

1. Column 1 shall reflect the company name from whom the liquid is received. Further, this shall be the company that will acknowledge the delivery on the appropriate Commission report.

2. The name of the facility where receipt is made.

3. The Registration or Serial number of the report of the facility that acknowledges this delivery. All numbers will include Form Designation, District Number, and Registration or Serial Number:

   Example: GP-1 4-1621, T-1 6-21, EH 3 6-201. When a receipt other than an import or frac oil is made from a facility that does not have an assigned RRC number (Column 3), an explanation must be given on the report as to the source of the liquid and Commission authority covering this receipt.

4. The actual amount of receipts. (Net Barrels.)

D. **Imports** – Receipts designated as “Imports” should specify in Column 2 the point or origin (state or foreign country) of the crude or products being imported.

Operator’s complete address & phone number are REQUIRED.
A. **Order of the Report** – Preparation of Page 1A “Receipts from Other Sources” shall be in Commission District order, listed by categories of receipts in the following order:

1. **Frac Oil** – Liquid received on Form P-3 authority. Show Railroad Commission oil lease number or gas well identification number as shown on Form P-3 in Column 3.
2. **Imports** – Liquid received from another state or foreign country. (See Instruction D.)
3. **Other** – Receipts other than frac oil or imports.

Within each category, list receipts alphabetically by company. Separate Page 1A sheets are required for each district.

B. **Volumes** – All volumes shall be reported in net barrels and computed by Commission approved methods of measurement. Do not use fractions of barrels in this report.

C. **Specific Columns** –

1. Column 1 shall reflect the company name from whom the liquid is received. Further, this shall be the company that will acknowledge the delivery on the appropriate Commission report.
2. The name of the facility where receipt is made.
3. The Registration or Serial number of the report of the facility that acknowledges this delivery. All numbers will include Form Designation, District Number, and Registration or Serial Number:
   
   **Example:** GP-1 4-1621, T-1 6-21, EH 3 6-201. When a receipt other than an import or frac oil is made from a facility that does not have an assigned RRC number (Column 3), an explanation must be given on the report as to the source of the liquid and Commission authority covering this receipt.
4. The actual amount of receipts. (Net Barrels.)

D. **Imports** – Receipts designated as “Imports” should specify in Column 2 the point or origin (state or foreign country) of the crude or products being imported.

Operator’s complete address & phone number are REQUIRED.
A. **Order of the Report** — Preparation of Page 1B “Deliveries” shall be in Commission District order, listed by categories of receipts in the following order:

1. **Wholesale or Retail Outlets** – Bulk station, etc.  See D. General Instructions, Item 1.
2. **Exports** – Liquid delivered to another state or foreign country.  (See Instruction E.)
3. **Other** – Deliveries other than wholesale, retail, or exports.
   Within each category, list receipts alphabetically by company. Separate Page 1B sheets are required for each district.

B. **Volumes** — All volumes shall be reported in net barrels and computed by Commission approved methods of measurement. Do not use fractions of barrels in this report.

C. **Specific Columns** —
   1. Column 1 shall reflect the company name to whom the delivery is made. Further, this shall be the company that will acknowledge the receipt of the delivery on the appropriate Commission report.
   2. The name of the facility where the delivery is made.
   3. The Registration or Serial Number of the report of the facility that acknowledges receipt of this delivery. All numbers will include Form Designation, District Number, and Registration or Serial Number: Example GP-1 4-1621, T-1 6-21, EH 3 5-201.
   4. The actual amount of the delivery. (Net Barrels.)

D. **General Instructions**
   1. It will not be necessary to give a detailed accounting of deliveries to wholesale or retail outlets if you properly identify these deliveries as a category on your report. (May be shown as one category and one amount.)
   2. When delivery is made to a facility not required to have a Railroad Commission number, (other than outlets per General Instruction 1) a statement or explanation showing the purpose of delivery should be shown in Columns 2 and 3. (i.e. frac oil, road oil, etc.)

E. **Exports** — Deliveries designated as “Exports” should specify in Column 2 the destination point (state or foreign country) of the crude or products being exported.

---

Current Examples:
R-3 04-1621, T-1 06-2100, R-1 05-2010, P-18 04-3600

Operator's complete address & phone number are REQUIRED.
**RAILROAD COMMISSION OF TEXAS**  
**OIL AND GAS DIVISION**  
**MONTHLY TRANSPORTATION AND STORAGE REPORT**

Operator: Ace Trucking Company  
Address: Box 1282  
Linden, Texas 68203  
Registration No.: 6 - 6666  
RRC District: 06  
Month: November  
Sheet No.: 1

**Separate Page 2 must be filed for each district.**

```
<table>
<thead>
<tr>
<th>FIELD</th>
<th>OPERATOR</th>
<th>RRC NUMBERS</th>
<th>BARRELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lease</td>
<td>Gas Well</td>
</tr>
<tr>
<td>1</td>
<td>LEASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bethany (6250)</td>
<td>Haynes Oil Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cleat</td>
<td>06204</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Davis</td>
<td>06205</td>
<td></td>
</tr>
<tr>
<td>King Production</td>
<td>Zephyr Commingled</td>
<td>6832</td>
<td></td>
</tr>
<tr>
<td>East Texas</td>
<td>Lark Petroleum</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spring Hill Unit</td>
<td>06308</td>
<td>046302</td>
</tr>
<tr>
<td></td>
<td>Taylor Bros.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mark Production</td>
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</tr>
<tr>
<td></td>
<td>Dade Commingled</td>
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<td></td>
</tr>
<tr>
<td>Fox City</td>
<td>Ajax Oil Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zilker Gas Unit</td>
<td>048026</td>
<td></td>
</tr>
<tr>
<td>TOTAL DISTRICT 06</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```

- **Do not show multiple receipts from one lease number, permit number or identification number.**
- **Receipts must be shown in month which oil was moved. Do not make corrections from prior months on current month’s reports.**
- **Runs started in one month and completed in the following month must be reported in the month’s report when the run was started.**
A. **Order of the Report** – Preparation of Page 2, “Detail of Receipts from Leases”, shall be in Commission District order, alphabetically by field, alphabetically by operator within the field, and numerically by oil lease number, gas well identification number, or commingled permit number for each operator. Only one receipt shall be shown from each oil lease, gas well, or commingling permit. Separate Page 2 sheets are required for each district.

B. **Volumes** – All volumes of crude oil and condensate shall be reported in net barrels and computed by Commission approved methods of measurement. **Do not use fractions of barrels in this report.**

C. **Specific Columns** –

1. Column 1 shall reflect the correct field name, operator name, and lease name as shown on Commission records.

2. The oil lease number (5 digits) as carried on Commission records (to be used on crude oil receipts).

3. The gas well identification number (5 digits) as carried on Commission records (to be used on gas well liquid receipts).

4. The Commission assigned commingling permit number (4 digits) if applicable. Do not show lease numbers or identification numbers if commingling number is used.

5. Column 5 shall reflect net receipts.

6. All cumulative transporter-runs from leases in excess of allowable plus legal storage shall be set out in the “Adjustments” column of Page 2. Cumulative overrun from a lease in excess of 5% of the lease’s monthly allowable shall be made up immediately. If cumulative overrun has been reduced from the previous month, indicate this by an asterisk (*) following the cumulative total. The “On Hand End of Month” as reported by producer on Form P-1 less cumulative overproduction will be accepted as support for the transporter’s run of oil in legal storage from the lease.

**General Instructions** – No receipt from any lease shall be shown by any gatherer unless he is the authorized gatherer from the lease per Commission Form P-4.
<table>
<thead>
<tr>
<th>Type of Stock</th>
<th>Net Barrels</th>
<th>Tank Number</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>20,000</td>
<td>454</td>
<td>Kildare Tank Farm</td>
</tr>
<tr>
<td>Crude</td>
<td>3,000</td>
<td>455</td>
<td>Kildare Tank Farm</td>
</tr>
<tr>
<td>Crude</td>
<td>795</td>
<td>456</td>
<td>Kildare Tank Farm</td>
</tr>
<tr>
<td>Total</td>
<td>23,795</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A. Order of the Report – Preparation of Page 3, “Detail Statement of Stock on Hand” shall be in Commission District order. Stock shall be grouped into the following categories with a total given for each category:

B. Volumes – All volumes shall be reported in net barrels and computed by Commission approved methods. Do not use fractions of barrels in this report.

C. Specific Columns –
1. Column 1 shall reflect the description of the material and classified into one of the six (6) divisions listed above.
2. Net barrels in storage. (See Instruction D – Totals.)
3. Tank number where storage is located.
4. Location of storage tanks.

D. Totals – Show totals for each category of stock.

E. General Instructions – Stock shown on Page 3 shall include all liquid hydrocarbons in line and frozen stock.
# Forms and Materials Required to Obtain a Pit Permit

<table>
<thead>
<tr>
<th>Form</th>
<th>Details</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-5</td>
<td>• Organization name to be filed and records kept</td>
<td>SWR 1</td>
</tr>
<tr>
<td>H-11</td>
<td>• Original application and attachments are filed in Austin</td>
<td>SWR 8(d)(8)</td>
</tr>
<tr>
<td></td>
<td>• Duplicates must be filed in the appropriate RRC District Office</td>
<td>Pit Application (A)</td>
</tr>
<tr>
<td>Notice</td>
<td>• Provide notice to Surface Owners</td>
<td>SWR 8(d)(C)</td>
</tr>
<tr>
<td></td>
<td>• For a commercial disposal pit, provide notice to Offset Surface Owners</td>
<td>Pit Application (B)</td>
</tr>
<tr>
<td></td>
<td>• Provide notice to City Clerk if pit is within corporate limits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Provide proof of applicable notice and publication to the RRC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Renewals do not require notice to Surface Owners or City Clerk</td>
<td></td>
</tr>
<tr>
<td>Maps</td>
<td>• Plot of lease or tract showing location of pit</td>
<td>SWR 8(d)(A)</td>
</tr>
<tr>
<td></td>
<td>• County highway map showing location of pit</td>
<td>Pit Application (C)(D)</td>
</tr>
<tr>
<td></td>
<td>• Latitude and Longitude coordinates of pit</td>
<td></td>
</tr>
<tr>
<td>Current Permit</td>
<td>• For permit renewals only, include the current permit</td>
<td>SWR 8(d)(A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pit Application (E)</td>
</tr>
<tr>
<td>Pit Diagrams</td>
<td>• Plan view of pit if length and width are irregular</td>
<td>SWR 8(d)(A)</td>
</tr>
<tr>
<td></td>
<td>• Two Perpendicular Cross-Sections of pit</td>
<td>SWR 8(j)(A)(ii)</td>
</tr>
<tr>
<td></td>
<td>• Include details for berm construction</td>
<td>Pit Application (G)</td>
</tr>
<tr>
<td>Pit Details</td>
<td>• Information on liner material, thickness and installation</td>
<td>SWR 8(d)(A)</td>
</tr>
<tr>
<td></td>
<td>• Design drawings of pit and leak detection system (if applicable)</td>
<td>SWR 8(j)(1)(A)(ii)</td>
</tr>
<tr>
<td></td>
<td>• Procedures for maintenance of liner integrity (if applicable)</td>
<td>Pit Application (H)(J)(K)(L)</td>
</tr>
<tr>
<td></td>
<td>• Justify pit size for Emergency Saltwater Storage pits</td>
<td></td>
</tr>
<tr>
<td>Environmental Data</td>
<td>• For natural or synthetically lined pits, identify and describe soil that will make up pit bottom and sides</td>
<td>SWR 8(d)(A)</td>
</tr>
<tr>
<td></td>
<td>• Provide the depth to groundwater</td>
<td>SWR 8(j)(1)(A)(ii)</td>
</tr>
<tr>
<td></td>
<td>• Provide the mean annual precipitation and amount of the 25-year 24-hour rainfall event in inches</td>
<td>SWR 8(j)(1)(A)(ii)</td>
</tr>
<tr>
<td></td>
<td>• Determine if pit is located within a FEMA 100-year flood plain</td>
<td>Pit Application (I)</td>
</tr>
<tr>
<td></td>
<td>• Determine if pit is located within a wetland</td>
<td></td>
</tr>
<tr>
<td>Closure Cost Estimate (CCE)</td>
<td>(Commercial Only) • Estimate of the maximum dollar amount necessary for closure</td>
<td>SWR 78(1)(L)(A)(ii)</td>
</tr>
<tr>
<td></td>
<td>• Written under seal of a Texas licensed Professional Engineer (P.E.)</td>
<td>SWR 78(1)(4)(C)</td>
</tr>
<tr>
<td></td>
<td>• Include details and assumptions</td>
<td></td>
</tr>
<tr>
<td>Financial Security</td>
<td>(Commercial Only) • After CCE is approved by Technical Permitting: File a bond with the RRC (Form CF-1)</td>
<td>SWR 78(1)(4)</td>
</tr>
<tr>
<td></td>
<td>• or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• File a Letter of Credit with the RRC (Form CF-2)</td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>• Skim Oil/Condensate Report (Form P-18) if applicable</td>
<td>SWR 58(b)(2)</td>
</tr>
</tbody>
</table>
Questions and Answers Pertaining to Pit Applications and Reporting

Q: Where can I find the section of the Texas Administrative Code (TAC) that governs the maintenance and use of pits?

A: The rules governing the maintenance and use of pits are outlined in Title 16, Part 1, Chapter 3, Section 3.8 (SWR 8), and can be found at:

http://www.sos.state.tx.us/tac/index.shtml

The rules for Financial Security requirements (SWR 78) and the reporting of Skim Oil/Condensate (SWR 56) can be also be found at the above URL.

Q: What is the definition of a pit?

A: A pit is any structure with an open top and a volume greater than 500 gal that is used for storage, processing or disposal of oilfield fluids or oil and gas waste. This definition also includes:

- Structures built above and below grade;
- Above ground “modular” style open-top storage tanks;
- Buried tanks used for waste storage;
- Concrete pads used for waste storage; and
- Structures consisting of a combined trench and sump pit and greater than 500 gal.

Q: What types of pits require a permit?

A: All Collecting, Washout, Disposal, Brine, Emergency Saltwater Storage and Gas Plant Evaporation/Retention pits require a permit. See SWR 8(a) for definitions of each type of pit. Authorized pits, listed under SWR 8(d)(4), do not require a permit. Pits for waste generated at oilfield service facilities that provide equipment, materials or services to the O&G industry are under jurisdiction of the Texas Commission on Environmental Quality (TCEQ).

Q: Where do I find the correct Form H-11?

A: Be aware that there are incorrect versions of Form H-11 floating around the internet. To ensure that you have the correct version, please download the Form H-11 from:


This site lists all accepted RRC forms in alphabetical order and should be your resource for any necessary application or reporting forms.

Q: When should notice be given to various entities and published in the newspaper?

A: All notices should be given on or before the date the application is mailed to or filed with the RRC. The permit application will not be processed until a copy of the
newspaper publication and publisher’s affidavit are received in Austin; therefore, you may want to publish before the application is mailed or filed in Austin so all documents can be reviewed at the same time.

Q: How do I calculate pit volume in barrels?

A: If your pit is a concrete box or a rectangular prism, measure the dimensions (in feet), leaving two feet of freeboard from the top of the berms, and use the following volume calculation:

\[
Volume (bbl) = Length \times Width \times Height \times 0.17811
\]

If your pit is rectangular with sloping sides, measure the length (a) and width (b) of the bottom, the length (A), width (B) and height (h) 2 feet below the top of the berms, and use the formula for the volume of an obelisk:

\[
Volume (bbl) = \frac{h}{6} (Ab + aB + ab + AB) \times 0.17811
\]

There are also numerous resources online that can aid in volume calculations.

Q: What are the requirements for berm construction?

A: Berms or containment structures must be constructed around all pits and must be constructed of material and compacted to meet or exceed 95% Standard Proctor (ASTM D698) or 90-92% Modified Proctor (ASTM D1557) density or have a hydraulic conductivity no greater than \(1.0 \times 10^{-7}\) cm/s. Each berm must consist of a slope no steeper than a three-to-one (horizontal to vertical) ratio on both sides unless constructed of concrete or equivalent material. These structures must be designed to divert non-contact storm water around the pit and contain and isolate waste and storm water within the waste management units.

Q: What type of liner system does my pit require?

A: All pits should have a durable synthetic liner with a hydraulic conductivity no greater than \(1.0 \times 10^{-7}\) cm/s. Commercial Disposal Pits, Brine Pits and other large-scale liquid waste storage pits must have a dual synthetic liner with a leak detection system and must submit Action Leakage Rate (ALR) calculations with their application. For Disposal Pits, if disposal of waste will be above-grade, a slope-stability analysis also must be submitted.

Q: How long will it take to receive a pit permit?

A: The time for the issuance of a pit permit can vary substantially and is dependent upon the completeness and quality of the application submitted to the Commission.
Q: What if I have acquired a property with a pit and do not know the status of its permit?

A: Contact Environmental Permitting in Austin at (512) 463-3840 or the local District Office to request assistance in identifying permitted or authorized pits.

<table>
<thead>
<tr>
<th>District</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 &amp; 02 – San Antonio</td>
<td>(210) 227-1313</td>
</tr>
<tr>
<td>03 – Houston</td>
<td>(713) 869-5001</td>
</tr>
<tr>
<td>04 – Corpus Christi</td>
<td>(361) 242-3113</td>
</tr>
<tr>
<td>05 &amp; 06 – Kilgore</td>
<td>(903) 984-3026</td>
</tr>
<tr>
<td>7B – Abilene</td>
<td>(325) 677-3545</td>
</tr>
<tr>
<td>7C – San Angelo</td>
<td>(325) 657-7450</td>
</tr>
<tr>
<td>08 &amp; 8A – Midland</td>
<td>(432) 684-5591</td>
</tr>
<tr>
<td>09 – Wichita Falls</td>
<td>(940) 723-2153</td>
</tr>
<tr>
<td>10 – Pampa</td>
<td>(806) 665-1653</td>
</tr>
</tbody>
</table>
H-11 – Application for Permit to Maintain and Use a Pit

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Application for Permit to Maintain and Use a Pit

Comply with Instructions on Reverse Side

1. Operator’s Name (As shown on Form P-5, Organization Report)
2. RRC Operator No.
3. RRC Dist. No.
4. County of pit site

5. Operator’s Address (Street, City, State and Zip Code)

6. Name of Leaser, Project or Facility of Pit Location

7. RRC Oil Lease No. or 8. RRC Gas ID No.

9. Pit Location
   • Section __________ Block __________ Survey __________ Abstract No. __________
   • Location in __________ miles __________ (direction) from __________ (nearest town)

10. a. Is pit bottom below ground level?
    □ Yes □ No
    b. Artificial liner?
    □ Yes □ No
    c. If lined, equipped with a leak detection system?
    □ Yes □ No

11. Name and Address of Surface Owner

12. Are wastes or fluids from operations other than your own?
    □ Yes □ No

13. Type of pit (refer to Item F of instructions)

14. a. Describe land use surrounding pit location:
   b. Is land surrounding pit location productive agricultural land?
      □ Yes □ No

15. a. Briefly explain the need for this pit

16. Pit in
   □ Proposed □ Existing
   If existing, date constructed ____________________________

17. Pit capacity (barrels)

18. Pit dimensions
   a. Height above ground level ________ feet Width at base ________ feet
   b. Are dikes designed to keep wastes or fluids in the pit?
      □ Yes □ No
   c. Are dikes designed to keep stormwater runoff out of the pit?
      □ Yes □ No
   d. Source of Dike Material:
      □ Excavated from pit □ Adjacent borrow pit
      □ Off-site excavation (describe material)

19. Inside pit dimensions two feet below top of dike
   Length ________ feet Width ________ feet
   Depth from ground level to deepest point ________ feet

20. Wastes or fluids are transported to pit by (check all that apply):
    □ Contract Hauler □ Applicant’s truck □ Pipe □ Other

21. a. Distance to nearest water well
    □ ________ feet
    b. Depth of this water well
    □ ________ feet
    c. Depth to shallowest fresh water
    □ ________ feet

22. Depth to shallowest fresh water
   □ measured/observed □ well owner □ electric log □ TDWR

23. Have you included all attachments required by the instructions on the reverse side of this form?

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 therein are true, correct, and complete, to the best of my knowledge.

Signature __________________________

Name of Person (type or print) __________________________ Title __________________________

Telephone __________________________ Area Code __________________________ Date __________________________

* RRC DISTRICT USE ONLY *

Application Information Review

Date received __________________________ Location __________________________ Liner __________________________ Agricultural Land __________________________ Dimensions __________________________

Date inspected __________________________ Grade Construction __________________________ Type Pit __________________________ Dikes __________________________ Waste Transport __________________________

Comments: __________________________

* RRC AUSTIN USE ONLY *

Date received __________________________ Pit code __________________________ Permit no. __________________________ Permit date __________________________
Instructions to Pit Application
Authority: Statewide Rule 8, Water Protection

A. File the application, including all attachments, with the Railroad Commission, Oil and Gas Division, P.O. Drawer 12967, Capitol Station, Austin, Texas 78711. On the same day file one copy of the application and its attachments with the appropriate District Office. This form is not required for a minor permit.

B. Notify the surface owner of the land where the pit will be located by mailing or delivering a copy of the application form, both front and back, but excluding the attachments. If the land where the pit is proposed is within corporate limits, also notify the city clerk or other appropriate city official. If application is for renewal of an existing permit, notice is not required.

C. Attach a plat showing the size of the lease or tract and the location of the pit within the lease or tract. Give approximate perpendicular distance to nearest intersecting lease/unit lines and section/survey lines. To avoid confusion, distinguish between the two sets of lines. Indicate scale on this plat.

D. Attach a county highway map (scale: 1" = 4 miles) showing the location of the pit. County highway maps are available from the Texas Department of Highways and Public Transportation, P. O. Box 5051, Attn: Map Distribution File D-10, Austin, TX 78763.

E. If application is for renewal of a permit for an existing pit, attach a copy of your current authority to use the pit.

F. Identify the type of pit in item 13 using one of the following as defined in Statewide Rule 8(a): Emergency Saltwater Storage Pit, Collecting Pit, Gas Plant Evaporation Retention Pit, Brine Pit (located at underground hydrocarbon storage facilities only), Saltwater Disposal Pit, Skimming Pit, Washout Pit, Drilling Fluid Disposal Pit, or other (specify in item 13 and explain in item 15a).

G. Attach a drawing of two perpendicular, sectional views of the pit showing the pit bottom, sides, dikes and the natural grade. For an existing pit, dimensions below fluid level may be approximated. If the pit length and width are irregular, include a top view to show pit dimensions and dike widths. Indicate scale on all views.

H. If pit is lined, attach data on liner material, thickness, and installation procedures.

I. Attach an identification and description of the soil or subsoil that will make up the pit bottom and sides. The information shall describe the soil by typical name, appropriate proportion of grain sizes, texture, consistency, moisture condition, and other pertinent characteristics. (Example: clayey silt, slightly plastic, small percentage of fine sand, firm and dry in place.) Identify the source of soil information. Information on how to classify soils is available from the District Office or Austin Office upon request. If application is for renewal of a permit for an existing emergency saltwater storage pit or a lined pit with a leak detection system, this attachment is not required.

J. If pit is equipped with a leak detection system, attach engineering design drawing of the pit and leak detection system.

K. If lined pit is not equipped with a leak detection system, describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.

L. If pit is an emergency salt water storage pit, attach justification for pit size based on water production, lease water storage capacity, and anticipated well or equipment shut-down time.

Note: The Director of the Oil and Gas Division may require the applicant to provide the Commission with any additional engineering, geological, or other information which the Director deems necessary to show that issuance of the permit will not result in the waste of oil, gas, or geothermal resources or the pollution of surface or subsurface water.

Protests and hearings.
An affected person may file a protest to the application and request a hearing. Any protest to the application should be filed with the Commission in Austin within fifteen days of the date the application is filed with the Commission. Any such protest shall be made in writing and shall include (1) the name, mailing address, and phone number of the person making the protest; and (2) a brief description of how the protestant would be adversely affected by the granting of the permit. If the Commission determines that a valid protest has been received, or that a hearing would be in the public interest, a hearing will be held after the issuance of proper and timely notice of the hearing by the Commission. If no protest is received within fifteen (15) days of receipt of the application in Austin, the application may be processed administratively.
COMMERCIAL FACILITY BOND NO. __________________________

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

FORM CF-1
Rev. 06/2014
TDI Ref. No. TDI-98-BB155-RCTP-F

Date: __________________________

This bond covers the following type of facility(ies) denoted by an “X”:

COMMERCIAL ☐ STORAGE ☐ RECLAMATION ☐ TREATMENT ☐ DISPOSAL ☐ RECYCLING

1. Organization name, exactly as shown on Form P-5 Organization Report:

2. P-5 Number, if assigned:

3. Total number of disposal/injection wells associated with the commercial facility, if applicable:

4. Other Commission-regulated operations, if applicable:

Background

1.1 (operator name as shown on P-5 Organization Report), “Principal”, operates or is applying for Railroad Commission approval to operate one or more commercial storage, reclamation, treatment, disposal, or recycling facilities (“Facility” or “Facilities”) subject to Texas laws. Texas Natural Resources Code §91.109 and Texas Administrative Code Vol. 16, §3.78, provide that the owner and operator of a Facility must maintain a bond or letter of credit that satisfies the Railroad Commission.

1.2 As specified in §3.78, Principal has retained _________________(surety), a State of Texas authorized Surety, to secure this promise to pay.

1.3 This bond covers the following facilities (on one line for each facility, include the facility name, facility permit number and/or application control number, physical address, zip code, and county in which the facility is located. Attach information on additional facilities as Exhibit A entitled “Exhibit A of RRC CF-I Bond No. ___________”):

(A) ____________________________________________

(B) ____________________________________________

(C) ____________________________________________

(D) ____________________________________________

Terms

2.1 Principal and Surety must pay the Railroad Commission of Texas, in Austin, Travis County, Texas, the sum of $____________________ U.S., according to the following paragraphs.

2.2 The Railroad Commission will notify the Surety after Principal fails to operate or close a Facility as required by Texas law, Railroad Commission rules, or the permit conditions. Notice will be mailed by registered or certified U.S. mail to the address shown below. After Surety receives notice of Principal’s default, the Surety may either:

(A) pay up to the face amount of this bond to bring into compliance or close the Facility according to Texas law, Railroad Commission rules, and the permit conditions; or

(B) pay the face amount of this bond to the Railroad Commission to be used by the Railroad Commission to bring into compliance or close the Facility. The Railroad Commission will return unexpended funds to the Surety after the Facility is brought into compliance or closed.

Page 1 of 2

Bond No. __________________________
2.3 The Railroad Commission does not have to expend state funds before Surety must pay under this bond.

2.4 The State of Texas may enforce the Surety's obligation under this bond without first obtaining a judgment against Principal or exhausting its remedies against the Principals properties or assets.

2.5 Under paragraph 2.2(A), Surety must present to the Railroad Commission, within 60 days after it receives notice of Principals default, a plan demonstrating how the Facility will be brought into compliance or closed. Surety must also furnish an accounting, acceptable to the Railroad Commission, of all sums expended by it to bring into compliance or close the Facility according to Texas law, Railroad Commission rules, and the permit conditions. Surety will submit the accounting to the Railroad Commission within 30 days of its bringing into compliance or closing the Facility.

2.6 Under paragraph 2.2(A), Surety must present to the Railroad Commission, within 60 days after it receives notice of Principals default, a plan demonstrating how the Facility will be brought into compliance or closed. Surety must also furnish an accounting, acceptable to the Railroad Commission, of all sums expended by it to bring into compliance or close the Facility according to Texas law, Railroad Commission rules, and the permit conditions. Surety will submit the accounting to the Railroad Commission within 30 days of its bringing into compliance or closing the Facility.

2.7 Under paragraph 2.2, Surety remains obligated to pay for any other covered Facilities up to the face amount of the bond.

2.8 The term of this bond expires ________________ (bond expiration date), and is renewable annually. The Principal or Surety will renew in writing this bond and submit it to the Railroad Commission 30 days before the bond expires. Obligations to pay part or all of the bond amount are released after four (4) years from the expiration date of the bond if no clean up or closure-related activities are initiated by the Railroad Commission or its authorized representative at the Facility during that four-year period. The Railroad Commission or its authorized representative may relieve in writing Principal and Surety from their obligations under this bond.

2.9 If the Surety does not fulfill its obligations according to the bond terms and if judgment for any part of the bond amount is awarded through action of the Attorney General in court, then the State shall be entitled to court costs and reasonable attorney's fees awarded by the court. Surety's liability for such costs and fees shall not be limited by the face amount of this bond.

2.10 Principal and Surety execute this bond and agree to pay proceeds under this bond in Austin, Travis County, Texas. A suit to collect on this bond or construe this bond lies in Travis County, Texas.

Dated ______________________

SURETY (Attach Power of Attorney demonstrating the authority to sign)

NAME AND TITLE (Type or Print)

SURETY'S FULL MAILING ADDRESS

(Seal)

PRINCIPAL (Attach Power of Attorney demonstrating authority to sign)

NAME AND TITLE AS LISTED ON THE P-5 ORGANIZATION REPORT (Type or print)

(Seal)

Page 2 of 2 Bond No. ________________
IRREVOCABLE STANDBY LETTER OF CREDIT NO. ______________

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

FORM CF-2
Rev. 04/2014

Date: ______________________

Name of Issuing Bank: _______________________________________________________

Physical address of issuing bank: ________________________________________________

This financial assurance covers the following type of facility(ies) denoted by an “X”:

COMMERCIAL: [ ] STORAGE [ ] RECLAMATION [ ] TREATMENT [ ] DISPOSAL
[ ] RECYCLING [ ] SEPARATION

To: RAILROAD COMMISSION OF TEXAS
Attention: Oil and Gas Division
Technical Permitting
P.O. Box 12967
Austin, Texas 78711-2967

1. Organization Name, exactly as shown on P-5, Organization Report:

2. P-5 Number, if assigned:

3. Total number of disposal/injection wells associated with the commercial facility, if applicable:

4. Other Commission-regulated operations, if applicable:

This letter of credit covers the following facilities (on a separate line for each facility, include the facility name, facility permit number and/or application control number, physical address, zip code, and county in which the facility is located. Attach information for additional facilities as Exhibit A entitled “Exhibit A of RRC CF-2 Letter of Credit No. ______________”):

(A) ________________________________________________________________

(B) ________________________________________________________________

(C) ________________________________________________________________

(D) ________________________________________________________________

We (Issuing Bank) hereby establish our Irrevocable Standby Letter of Credit No. ______________, in favor of the Railroad Commission of Texas, Austin, Texas (you), for the account of ______________________ (operator name as shown on P-5 Organization Report), for an amount or amounts not to exceed the aggregate $____________ U.S., available by your drafts at sight on the bank, effective _______________ and expiring on _______________, but such expiration date shall be automatically extended for a period of _______________ year(s) beginning on the initial expiration date and each successive expiration date, unless, at least 120 days before the expiration date applicable to the current term, we notify both the Director of Oil & Gas Division of the Railroad Commission of Texas at 1701
North Congress Avenue, Austin, TX 78701 and (operator name as shown on P-5 Organization Report) by certified mail, return receipt requested, that we have decided not to extend this letter of credit beyond the current expiration date. Upon receipt of such notice, and for a period of 120 days after the date the Director of Oil & Gas Division of the Railroad Commission of Texas signs the return receipt card, you may draw on us hereunder upon presentation of your sight draft. This letter of credit may be terminated during the course of its term only if we are provided with a letter from you stating that each of the above-referenced facilities have been closed in a manner that meets your requirements or on such date as you authorize the release of this Letter of Credit.

The documents specified below must be presented at sight on or before the expiry date in accordance with the terms and conditions of this Irrevocable Standby Letter of Credit:

A. This Irrevocable Standby Letter of Credit or a copy thereof; and

B. An affidavit from the Railroad Commission of Texas or its authorized representative, stating that a commercial facility subject to this Letter of Credit has not provided a substitute letter of credit that has been accepted by the Railroad Commission of Texas or its authorized representative or has defaulted on its obligations under state law, Railroad Commission rules, or the conditions of the commercial facility permit, or is likely to pollute or polluting any ground or surface water, or is not being maintained in compliance with state law, Railroad Commission rules, or the conditions of the commercial facility permit relating to the prevention or control of pollution.

We engage with you that drafts drawn under and in conformity with the terms and conditions stated above will be duly honored on presentation if presented to us at our office at the address shown above or any of our bank branch locations on or before the expiry date.

The credit is subject to the Uniform Customs and Practice for Documentary Credits (revision in force as of July 1, 2007), International Chamber of Commerce—Publication 600.

AUTHORIZED COUNTERSIGNATURE

AUTHORIZED SIGNATURE

NAME AND TITLE (Type or print)

NAME AND TITLE (Type or print)

(Attach Certified Copy of Corporate Resolution demonstrating persons who sign have authority from the bank at the time they sign to sign for up to or over the amount of this Letter of Credit.)
RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division  
SKIM OIL/CONDENSATE REPORT— Form P-18  
(Rev. 01/01/86)  

REPORTING PERIOD:  
19

CORRECTED REPORT?  
Yes

OPERATOR NAME AND ADDRESS:  
Exactly as shown on P-5, Organization Report

REPORTING PERIOD:  
19

CORRECTED REPORT?  
Yes

OPERATOR NO.

SECTION I — METHOD OF DISPOSAL OF WATER RECEIVED INTO SYSTEM

1. INJECTION INTO A RESERVOIR PRODUCITIVE OF OIL OR GAS
   Field and Reservoir:

2. INJECTION INTO DISPOSAL WELL(S)
   Name and Well No. of Disposal Well(s):

3. OTHER (e.g., Total Disposal, etc.)
   describe Disposal Method:

SECTION II — OPERATIONS DATA FOR REPORTING PERIOD

1. Does this system receive salt water from more than one operator?  
   Yes  
   No

2. Number of oil leases and/or gas wells that system gathers from:

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 “shaps” 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)...

   (If any amount shown on Line 9 or 10, complete SECTION V on back of this form)

SECTION III — STORAGE AND RUN DATA

1. Liquid hydrocarbons in storage beginning of reporting period...

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 #

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.

Mail original to: Railroad Commission of Texas  
Oil and Gas Division  
Capitol Station - P. O. Drawer 12967  
Austin, Texas 78711-2967
## SECTION V. ALLOCATION OF EXCESS SKIM LIQUID HYDROCARBONS TO PRODUCING PROPERTIES

---INSTRUCTIONS---

- Include both slugs CREDITED back to producing property (Sec. II, line 9) and liquid hydrocarbons ALLOCATED back to producing property served by facility (Sec. II, line 101). Do NOT list or allocate back to non-producing properties such as plants, wash pits, reserve pits, etc.
- Each district must be listed on a SEPARATE page if the system gathers from oil leases and/or gas wells in more than one district.
- Oil leases must be listed on one page and gas wells on a SEPARATE page if the system gathers from both oil leases and gas wells within one district.
- On each page, listings are to be alphabetically by field (Column 1) and then numerically by oil lease number (Column 4) if the page is for oil lease allocations or by gas well number (Column 4) if it is for gas well allocations.
- Since all volumes must be reported in whole numbers, it may be necessary to adjust some allocations up or down one barrel to make the liquid hydrocarbon allocations (Column 5 total) equal the total to be allocated (Section II, line 10).

<table>
<thead>
<tr>
<th>1. FIELD NAME</th>
<th>2. LEASE NAME OR GAS WELL NAME</th>
<th>3. NAME OF OPERATOR OF LEASE</th>
<th>4. RRC LEASE OR ID. NO.</th>
<th>5. Allocated to Lease or Gas Well*</th>
<th>6. Slugs credited to Lease or Gas Well</th>
<th>7. Water received or Gas Well</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Col. 7, Sec. V X Line 10, Sec. II
Line 3, Sec. II

### INSTRUCTIONS

**Reference: Statewide Rule 56**

**A. WHO FILES** — If you are the operator of a facility from which skim liquid hydrocarbons are gathered and sold or otherwise disposed of, you are to file a separate P-18 for EACH facility UNLESS the facility serves only one lease or unit and ALL liquid hydrocarbons removed from the facility are reported on Form P-1, Form P-2, and/or Form P-1B & 2B, as applicable, as production from that lease or unit.

**B. TIME OF FILING** — No later than the fifteenth (15th) day of the month following the reporting period covered by the P-18.

**C. PLACE OF FILING** — File the original P-18 with the Commission in Austin. Copies are to be sent to:

- the District Office having jurisdiction over the system.
- any other District Office to which oil leases and/or gas wells are assigned IF your system gathers from outside the primary district.
- each gatherer moving liquid hydrocarbons from your system, and
- each operator of an oil lease and/or gas well to which you have credited or allocated back liquid hydrocarbons in Section V.

**D. VOLUMES** — Calculate liquid hydrocarbons using Commission approved methods of measurement. Report all volumes in BARRELS. DO NOT USE FRACTIONS OF BARRELS in this report; round off to the nearest whole number. Barrels of liquid hydrocarbons should be reported in NET barrels, with BS & W (basic sediment and water) excluded.

**E. ACCOUNTING FOR ALLOCATIONS BACK TO OIL LEASES AND/OR GAS WELLS** — Operators of oil leases and/or gas wells in which liquid hydrocarbons are credited or allocated in Section V of this P-18, shall report the amount of these credits and allocations to each lease and/or gas well as production from that lease and/or gas well during the reporting period covered by this P-18. That amount credited or allocated shall be reported on Form P-1, Form P-2, and/or Form P-1B & 2B, as applicable, by the operator of each lease and/or gas well. Disposition shall be reported as follows:

- Form P-1, in column 6 as Disposition Code 8 (skim oil)
- Form P-2, in column 9 as Disposition Code 7 (Other)
- Form P-1B & 2B in Column 10 as Disposition Code 8 (skim oil or condensate)
# Forms and Materials Required to Obtain a Reclamation Plant Permit

<table>
<thead>
<tr>
<th>Form</th>
<th>Details</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-5</td>
<td>- Organization name to be filed and records kept</td>
<td>SWR 1</td>
</tr>
<tr>
<td>R-9</td>
<td>- Original Application and Attachments are filed in Austin</td>
<td>SWR 57</td>
</tr>
<tr>
<td></td>
<td>- Duplicates must also be filed in appropriate District Office</td>
<td></td>
</tr>
<tr>
<td>Public Notice</td>
<td>- Publish notice in newspaper once</td>
<td>SWR 57(c)(2)</td>
</tr>
<tr>
<td></td>
<td>- Provide notice to County Clerk for the county of the facility</td>
<td>SWR 57(c)(3)</td>
</tr>
<tr>
<td></td>
<td>- Provide notice to City Clerk if pit is within corporate limits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Provide proof of applicable notices and publisher’s affidavit to the RRC</td>
<td></td>
</tr>
<tr>
<td>Schematic Diagram</td>
<td>- Detail proposed or existing facility</td>
<td>SWR 57(c)(6)</td>
</tr>
<tr>
<td></td>
<td>- Include location, identification and capacities of all equipment and tanks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Show location of all O&amp;G related facilities within 100 yards of the facility</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- If facility has a pit, submit all materials required for Form H-11</td>
<td></td>
</tr>
<tr>
<td>Environmental Data</td>
<td>- Identify and describe the soils at the facility</td>
<td>SWR 57(c)(6)</td>
</tr>
<tr>
<td></td>
<td>- Provide the depth to groundwater</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Provide the mean annual precipitation and amount of the 25-year 24-hour rainfall event in inches</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Determine if facility is located within a FEMA 100-year flood plain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Determine if facility is located within a wetland</td>
<td></td>
</tr>
<tr>
<td>Closure Cost Estimate (CCE)</td>
<td>- Estimate of the maximum dollar amount necessary for closure</td>
<td>SWR 78(l)(1)(A)(i)</td>
</tr>
<tr>
<td></td>
<td>- Include all details and assumptions</td>
<td>SWR 78(l)(1)(C)</td>
</tr>
<tr>
<td></td>
<td>- If facility has a pit, CCE must be written under seal of a Texas licensed Professional Engineer (P.E.)</td>
<td></td>
</tr>
<tr>
<td>Financial Security</td>
<td>- After CCE is approved by Technical Permitting:</td>
<td>SWR 78(l)</td>
</tr>
<tr>
<td></td>
<td>- File a bond with the RRC (Form CF-1)</td>
<td>SWR 57(c)(10)</td>
</tr>
<tr>
<td></td>
<td>- or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- File a letter of credit with the RRC (Form CF-2)</td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>- Monthly Report for Reclaiming and Treating Plants (Form R-2)</td>
<td>SWR 57(e)</td>
</tr>
<tr>
<td></td>
<td>- Production Reports – Report disposition on Form R-2 (Monthly Report for Reclaiming and Treating Plants)</td>
<td>SWR 56(b)(2)</td>
</tr>
<tr>
<td></td>
<td>- Skim Oil/Condensate Report (Form P-18) if applicable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Letter of Authority issued by Field Operations Section of RRC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Monthly Transportation &amp; Storage Report (T-1)</td>
<td></td>
</tr>
</tbody>
</table>
Questions and Answers Pertaining to Reclamation Plant Applications and Reporting

Q: How can a Reclamation Plant Permit be obtained?

A: Form R-9 is the Application for Permit to Operate a Reclamation Plant and can be downloaded from:


Q: When do I publish the application in the newspaper and give notice to various entities?

A: On or about the time that the application is mailed to, or filed with, the Commission. The permit will not be processed until a copy of the newspaper publication and publisher’s affidavit are received in Austin. Therefore, you may want to publish before application is mailed or filed in Austin so all documents can be reviewed at the same time.

Q: When are R-2 reports due in Austin?

A: The operator of a reclamation plant shall file a report on the Form R-2 (Monthly Report for Reclaiming and Treating Plants) for each reclamation plant facility by the 15th day of each calendar month, covering the facility’s activities for the previous month.

Q: What are the general provisions applicable to materials taken to a reclamation plant from tank bottoms or other hydrocarbon waste from outside the State of Texas?

A: The receipt of any tank bottoms or other hydrocarbon wastes from outside the State of Texas must be authorized in writing by the Commission prior to such receipt. However, written approval is not required if another entity will indicate, in the appropriate monthly report a corresponding delivery of the same material. If the request is denied, applicant may request a hearing.

Q: What are the general provisions applicable to materials taken to a reclamation plant as waste materials other than tank bottoms or other hydrocarbon wastes?

A: The receipt of any waste materials other than tank bottoms or other hydrocarbon wastes must be authorized in writing by the Commission prior to such receipt. The Commission may require the reclamation plant operator to submit an analysis of such waste materials prior to a determination of whether to authorize such receipt. If the request is denied, the applicant may request a hearing.
Form R-9 – Application for Permit to Operate a Reclamation Plant

### Application for Permit to Operate a Reclamation Plant

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator P.S. No.</th>
<th>RRC District No.</th>
<th>County of Plant Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose of Filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>New permit for new facility Estimated completion date:</td>
</tr>
<tr>
<td>New permit for existing facility Name of previous operator:</td>
</tr>
<tr>
<td>One-time renewal of existing permit serial/registration (R-2) no.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Portable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Driving directions from the nearest town (identify town)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

9. Brief description of treating process:

10. Material transported to plant (see Inst. No. 6):

<table>
<thead>
<tr>
<th>Items</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Identify all oil and/or gas-related facilities located within 100 yards of facility (example: well, pipeline, wastewater disposal facility, tank battery, etc.):

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Operator</th>
<th>Type of Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CERTIFICATION: I certify under penalties prescribed in Sec. 91143, Texas Natural Resources Code, that I am authorized to make this report that it was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge.

**Signature**

**Title**

**Name (print or type)**

**Phone**

**Date**

TO BE COMPLETED BY RAILROAD COMMISSION PERSONNEL

This permit is valid until cancellation under either of the following conditions:

1. The above named operator requests cancellation for non-use of permit.
2. The commission cancels the permit after notice and opportunity for hearing because:
   a. The permit facility has been inactive for 12 months, or
   b. There has been a violation or a violation is threatened of any provision of the permit, the conservation laws of the state, or orders of the Commission.

This permit is non-transferable. The financial assurance filed in support of this application shall be renewed and continued in effect until its conditions have been met or released is satisfied by the Commission. The facility schematic diagram is to be kept with this permit.

Serial/registration no. ___________ is issued/renewed effective (DATE) by ___________.

Signature of RRC representative ___________.

Name (type or print) ___________.

Phone No. ___________.

**ALL WASTES GENERATED BY RECLAIMING OPERATIONS SHALL BE DISPOSED OF IN ACCORDANCE WITH STATEWIDE RULES, 8, 8.9, AND 46 (RELATING TO WATER PROTECTION, DISPOSAL WELLS, AND FLUID INJECTION)**
1. **FORM P-5, ORGANIZATION REPORT.** Before this application can be processed, you must have an active Form P-5, Organization Report, on file with the Commission in Austin. In addition, if your organization is a corporation, a certification that your franchise tax payment is current is also required.

2. **R-9 FILING.** File the original of your application and attachments with:

   Railroad Commission of Texas
   Oil and Gas Division - Production Allocation
   P. O. Drawer 12867 - Capitol Station
   Austin, Tx 78711-2867

   At the same time, file a copy of the R-9 and the schematic diagram with the Commission district office of the facility location.

3. **ATTACHMENTS.** Your application must include the following attachments:

   - **schematic diagram** showing the proposed or existing facility, including the location and identification of all treating equipment and tanks with tank capacity noted. Also, show the location of all oil and/or gas-related facilities located within 100 yards of the facility as identified in No. 11 on front.
   - **a bond or letter of credit in commission-approved format** for the amount of $100,000 with attached power of attorney. See No. 4 below.
   - **proof of publication of the notice of application,** if this application is for a new permit rather than one-time renewal of an existing permit. See No. 5 below.

4. **FINANCIAL ASSURANCE.** As a condition of the permit to operate a reclamation plant, you are required to submit, renew, and continue in effect a bond or letter of credit in commission-approved format in the amount of $100,000. Prior to the expiration of your financial assurance, you will be sent a renewal notice. In a limited set of circumstances a lesser amount may be accepted. However, you must be able to clearly show that amount will be sufficient to operate and close the facility site in accordance with state law, commission rules, and the conditions of the permit. File your bond or letter of credit in the lesser amount and attach a letter including a complete justification to your application. Include a copy of that letter with your district office filing.

5. **NOTICE.** When applying for a new permit, you are to give the following notices of the application prior to or at the same time as filing the application with the Commission:

   - mail or deliver a copy of the permit application to the county clerk of the county of facility location and, if the facility is located within the corporate limits of the city, the city clerk.
   - publish notice of the application in commission-approved form* once in a newspaper of general circulation for the county of the facility.

6. **TRANSPORTATION OF MATERIAL.** Trucks transporting material to the reclamation facility on a "for hire" basis must be permitted by the Railroad Commission's Transportation/Gas Utilities Division.

7. **MONTHLY REPORTING.** Each month, file a Form R-2, Monthly Report for Reclaiming and Treating Plants, according to the instructions on the reverse of that form.

* Available from the Commission's Supply Department at the above address.
Form R-2 – Monthly Report for Reclaiming and Treating Plants
### DETAIL STATEMENT OF STOCK ON HAND AT END OF PERIOD

<table>
<thead>
<tr>
<th>TANK NUMBER</th>
<th>LOCATION</th>
<th>KIND OF STOCK</th>
<th>CAPACITY</th>
<th>BARRELS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL STOCK ON HAND**

---

**INSTRUCTIONS**

**A. TIME AND PLACE OF FILING:**

This report shall be filed with the Railroad Commission at Austin, Texas, on or before the 15th day of the calendar month following the month covered by the report. One copy of this report shall be filed in each District Office in which the reclamer has authority to operate.

**B. VOLUMES:**

All volumes of material shall be reported in whole barrels and computed by Commission approved methods of measurement. Do not use fractions of barrels in this report.

**C. STOCK AND OPERATIONS SPECIFIC COLUMNS:**

1. The net oil and/or other recovered material that was on hand at the beginning of the month.
2. The unprocessed material that was on hand at the beginning of the month.
3. Combined total of net oil, other recovered material and unprocessed material at the beginning of the month.
4. Gross total of all material received during the month reported.
5. Gross total of material processed.
6. Oil and/or other material recovered from the gross amount treated.
7. The loss or waste of the gross amount treated.
8. Net oil amount delivered from treated amount and/or stock.
9. Material other than net oil which is marketable.
10. The net oil and/or other recovered material that was on hand at the end of the month.
11. The unprocessed material that was on hand at the end of the month.
12. Combined total of net oil, other recovered material and unprocessed material on hand at the end of the month.

**D. RECEIPT AUTHORITY**

Receipts made by reclamer must be made under Form T—5 Gauger Tank Cleaning Request or special letter of authority granted prior to receipt. Any material received without prior authority will be subject to confiscation by the Commission.

**E. CORRECTED REPORTS:**

Any corrections made to Form R—2 must be made to the report covering the month in which the error was made. Prior month adjustments may not be made on current reports.

**F. GENERAL INSTRUCTIONS:**

(a) Show receipts and/or deliveries in the reporting period that the transfer was initiated.

(b) If additional reporting space is required for receipts, deliveries or stock, use attachment sheet with identical format as shown on the report.
Form R-2 Receipt Example

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>TREATED MATERIALS</th>
<th>STOCK ON HAND END OF MONTH</th>
<th>DELIVERIES</th>
<th>STOCK ON HAND BEGINNING OF MONTH</th>
<th>COMPANY RECEIVED FROM</th>
<th>COMPANY DELIVERED TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Authority Number</td>
<td>RECEIPTS</td>
<td>TOTALS</td>
<td>TOTALS</td>
<td>PLACE OF DELIVERY</td>
<td>ACTUAL DELIVERY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Columns**

- **Columns 1, 2, 3, 4**
- **Columns 5, 6, 7, 8**

**Formulas**

- **Columns 1, 2, 3, 4**
- **Columns 5, 6, 7, 8**
Forms Required by Refineries

<table>
<thead>
<tr>
<th>Check List</th>
<th>Form</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P-5</td>
<td><strong>SWR 1</strong> — Organization name to be filed and records kept.</td>
</tr>
<tr>
<td></td>
<td>R-5</td>
<td><strong>SWR 60 &amp; 61</strong> — R-5, Certificate of Compliance filed with District Office prior to beginning operation. Renewed annually.</td>
</tr>
<tr>
<td></td>
<td>R-1</td>
<td><strong>SWR 60 &amp; 61</strong> — Monthly report and operations statement for refineries. Due by the 15th of the month following the month of operation.</td>
</tr>
</tbody>
</table>

Questions and Answers Pertaining to Refinery Report

<table>
<thead>
<tr>
<th>Questions Pertaining to (Form, Rule, Procedure)</th>
<th>Question</th>
<th>Answer</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1</td>
<td>Why should refineries continue to file the monthly reports when the plant is shut down?</td>
<td>The R-1 report should be filed as long as there is stock at the plant. Pages 1 &amp; 4 (only) need to be filed to cover stock on hand when there is no other activity.</td>
<td>512-463-3840</td>
</tr>
<tr>
<td>Reporting Stock</td>
<td>Should material (owned by the refinery) stored off the refinery premises be reported as stock on the R-1 report?</td>
<td>Stock stored off the refinery premises should not be reported on the Refinery Report (Form R-1). Crude/condensate belonging to a refinery, but stored off refinery premises should be reported on the Transportation Report (Form T-1).</td>
<td>Operators: A-L 512-463-6874 M-Z 512-463-6859</td>
</tr>
</tbody>
</table>
Form R-1 – Monthly Report and Operations Statement for Refineries

**Instructions**

1. A corrected Page One with current certification date and original signature must be filed with corrections to any portion of the report.
**INSTRUCTIONS**

1. **Imports** – Receipts designated as imports should specify Point of Origin (State or Foreign Country) in addition to Company name.

2. The Mode of Transportation is not required (Example – Received from Morrow Oil Company Tank Cars – Tank Cars not needed).

3. Material Code Number obtained from Page 1.

4. If additional columns required to report receipts from a single source, use two or more lines.

---

**RAILROAD COMMISSION OF TEXAS**

**OIL AND GAS DIVISION**

**Monthly Report and Operational Statement for Refineries**

Operator: Breaker Oil Company

Month: January

Registration No.: 00-00000

**ACTUAL RECEIPT**

<table>
<thead>
<tr>
<th>Operator</th>
<th>RRC Number</th>
<th>C. Of C</th>
<th>Barrels</th>
<th>C. Of C</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf Ref. Co.</td>
<td>E-2 210-1</td>
<td>24</td>
<td>6,000</td>
<td>24</td>
<td>6,000</td>
</tr>
<tr>
<td>Daub Ref.</td>
<td>Import-Refined</td>
<td>24</td>
<td>4,000</td>
<td>24</td>
<td>4,000</td>
</tr>
<tr>
<td>Texas Inc.</td>
<td>Import-Refined</td>
<td>24</td>
<td>3,000</td>
<td>24</td>
<td>3,000</td>
</tr>
<tr>
<td>Gulf Oil Co.</td>
<td>Import-Refined</td>
<td>24</td>
<td>1,000</td>
<td>24</td>
<td>1,000</td>
</tr>
<tr>
<td>Gulf Oil Co. - US</td>
<td>T-1 5-8</td>
<td>24</td>
<td>1,000</td>
<td>24</td>
<td>1,000</td>
</tr>
<tr>
<td>Gulf Ref. Animal.</td>
<td>Chemical Plant</td>
<td>19</td>
<td>75</td>
<td>19</td>
<td>75</td>
</tr>
<tr>
<td>Allied Chem.</td>
<td>Import-Refined</td>
<td>19</td>
<td>25</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>Shell Oil Co. - Waco</td>
<td>T-1 2-8</td>
<td>23</td>
<td>45</td>
<td>23</td>
<td>45</td>
</tr>
<tr>
<td>United Tex.</td>
<td>Ref.</td>
<td>23</td>
<td>5,500</td>
<td>23</td>
<td>5,500</td>
</tr>
<tr>
<td>Waco Ref. Ind.</td>
<td>Wholesale Retail</td>
<td>2</td>
<td>3,800</td>
<td>2</td>
<td>3,800</td>
</tr>
<tr>
<td>Waco Ref. Ind.</td>
<td>T-1 3-71</td>
<td>2</td>
<td>140</td>
<td>2</td>
<td>140</td>
</tr>
</tbody>
</table>

**TOTALS**

<table>
<thead>
<tr>
<th>Operator</th>
<th>C. Of C</th>
<th>Barrels</th>
<th>C. Of C</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
</tr>
</tbody>
</table>

**EXAMPLE**

It is permissible to show the transporter and “account” party as per example, although it is not required to show the “account” party.

Some receipts will not have an RRC registration or serial numbers. These will be chemical plants, wholesale, retail, or other parties that are not required to report to the Commission.

Total must match the total receipts on Page 1.
<table>
<thead>
<tr>
<th>Delivered To</th>
<th>RIC Number</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>1/10th</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Coast Co.</td>
<td>Export/New York</td>
<td>5</td>
<td>42</td>
<td>3</td>
<td>37,862</td>
<td>6</td>
<td>2</td>
<td>12</td>
<td>37,478</td>
<td>79,124</td>
</tr>
<tr>
<td>Naches Bitume Prod. Co.</td>
<td>Wholesale-Retail</td>
<td>60</td>
<td>42,064</td>
<td>60</td>
<td>42,064</td>
<td>60</td>
<td>42,064</td>
<td>60</td>
<td>42,064</td>
<td>60,113</td>
</tr>
<tr>
<td>Gulf Ref. Co.</td>
<td>T-1 3-105</td>
<td>4</td>
<td>99,388</td>
<td>5</td>
<td>83,520</td>
<td>6</td>
<td>2</td>
<td>12</td>
<td>507,287</td>
<td>1,657,287</td>
</tr>
<tr>
<td>Bell Transportation</td>
<td>T-1 2-24</td>
<td>4</td>
<td>3,666,775</td>
<td>5</td>
<td>322,813</td>
<td>32</td>
<td>741,125</td>
<td></td>
<td>4,740,712</td>
<td></td>
</tr>
<tr>
<td>Gulf Oil Co. US</td>
<td>T-1 3-28</td>
<td>4</td>
<td>1,495,824</td>
<td>5</td>
<td>381,369</td>
<td>15</td>
<td>388,894</td>
<td>19</td>
<td>6,779</td>
<td>748,157</td>
</tr>
<tr>
<td>Gulf Oil Co. US</td>
<td>T-1 3-36</td>
<td>8</td>
<td>277,060</td>
<td>23</td>
<td>802,314</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,139,320</td>
</tr>
</tbody>
</table>

**EXEMPLARY**

| TOTALS          | 6,452,951 | 1,397,249 | 1,672,105 | 1,366,269 | 31,798 | 11,404,972 |

Instructions:

1. Exports – Deliveries designated as exports should specify destination point (State or Foreign Country) in addition to Company name.

2. It will not be necessary to give a detailed accounting of deliveries to wholesale or retail outlets if you properly identify these deliveries as a category on your report. (May be shown as one category and one amount.)

3. The Mode of Transportation is not required. (Example – Delivered to Morrow Oil Company Tank Cars – Tank Cars not needed.)

4. Material Code Number obtained from Page 1.

5. If additional columns required to report deliveries to a single source, use two or more lines.
<table>
<thead>
<tr>
<th>Operator</th>
<th>Breaker Oil Company</th>
<th>Month</th>
<th>January</th>
<th>19 XX</th>
</tr>
</thead>
</table>

(Instructions on Reverse Side)

Registration No. 00-0000

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Barrels</th>
<th>Capacity</th>
<th>Barrels</th>
<th>Capacity</th>
<th>Barrels</th>
<th>Capacity</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,942,078</td>
<td>74</td>
<td>1,277,457</td>
<td>2,998,310</td>
<td>4</td>
<td>1,901,285</td>
<td>901,753</td>
<td>3</td>
</tr>
<tr>
<td>1,552,953</td>
<td>8</td>
<td>3,256,347</td>
<td>6,247,381</td>
<td>39</td>
<td>3,914,346</td>
<td>1,000,000</td>
<td>2</td>
</tr>
<tr>
<td>1,500,000</td>
<td>19</td>
<td>52,547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 18,484,494 X 10,241,734 X X X

* TOTAL ALL COLUMNS

Total of these totals must match the total Storage at End of Month on page 1.

**INSTRUCTIONS**

1. Material Code Number obtained from Page 1.
### Forms Required by Gas Processing Plants

<table>
<thead>
<tr>
<th>Check List</th>
<th>Forms</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P-5</td>
<td>SWR – 1</td>
</tr>
<tr>
<td></td>
<td>R-5/R-6</td>
<td>SWR – 61 (R-5) SWR – 62 (R-6)</td>
</tr>
<tr>
<td></td>
<td>R-3</td>
<td>SWR – 54 (a)</td>
</tr>
<tr>
<td></td>
<td>R-4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scrubber Oil Allocation Tabulation</td>
<td>SWR – 56</td>
</tr>
</tbody>
</table>

*Note: This is a suggested format for reporting scrubber oil under SWR 56.*
Form R-5 – Certificate of Compliance

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
CERTIFICATE OF COMPLIANCE

<table>
<thead>
<tr>
<th>Operator</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street or Box</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Check One:</th>
<th>Corporation</th>
<th>Partnership</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Form P-5</th>
<th>Attached</th>
<th>On file with the Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This will certify that the above mentioned plant is in compliance with the terms and provisions of the Railroad Commission Statewide Rule 61 covering the operation of refineries and gasoline plants in the State of Texas.

Remarks: 

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 therein are true, correct, and complete, to the best of my knowledge.

Signature ________________________________________________

Name of Person (type or print) ___________________________________________

Date ___________________________ Title ___________________________

Telephone Number __________ Area Code ________ Number ________

INSTRUCTIONS
This form shall be filed in duplicate to the appropriate Commission District Office prior to initiating operations of any refinery or natural gasoline plant. This certificate is valid for one year and must be renewed one year from date of prior approval.

- FOR COMMISSION USE ONLY -

<table>
<thead>
<tr>
<th>APPROVED</th>
<th>DENIED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

District Director ___________________________ District Director ___________________________

Date ___________________________ Date ___________________________

REMARKS: ___________________________
Form R-6 – Application for Certificate of Compliance

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

APPLICATION FOR CERTIFICATE OF COMPLIANCE
(CYCLING PLANT)

I, ____________________________, as ____________________________, as
____________________________, ________________
Name of person Official capacity

____________________________
Name of owner of Plant

Check One: Individual ☐ Partnership ☐ Corporation ☐
do hereby certify that the terms and provisions of Statewide Rule No. 62 have been
complied with in the

____________________________
Plant Name

____________________________
Location

and a Certificate of Compliance is hereby requested.

____________________________
Date Signature of person reporting

- FOR COMMISSION USE ONLY –

STATEMENT OF INSPECTION

This is to certify that this plant was inspected and at the time of inspection, there
appeared to be full ☐ non ☐ compliance with the provisions of Statewide Rule
No. 62 and it is recommended that a Certificate of Compliance be granted ☐ refused ☐.

____________________________
Date of Inspection Signed

________________________________________
Engineering Department
Oil and Gas Division
Railroad Commission of Texas
Form R-3 Monthly Report for Gas Processing Plants

INFORMATION FOR GAS PROCESSING PLANT OPERATORS
References: Statewide Rules 54, 61, and 62

General Information

What is Required of a Gas Processing Operator?

   Prior to initial operation, gas processing plant operators must file with the Commission in Austin on
   original of the Form R-3. Organization report (Statewide Rule 1). This is to be renewed annually. Any
   change in operator name, officer and/or address must be reported within days after it occurs

2. Certificate of Compliance
   * A gasoline plant operator, that is, a plant making liquid hydrocarbons other than specified Section,
     V, Number, 2, 3, of the Form R-3, must file and annually renew with the Commission a Form R-5:
     Certificate of Compliance for Natural Gasoline Plants (Statewide Rule 61). The R-3 is to be mailed to
     the Commission District Office having jurisdiction over the gasoline plant. The certificate must be
     renewed one year from the date of the prior renewal.

   * A cycling plant operator, that is, a plant cycling gas not liquid hydrocarbons, must be filed and
     annually renew with the Commission a Form R-6: Application for Certificate of Compliance (Statewide
     62). Form R-6 is to be mailed to the Commission District Office having jurisdiction over the cycling
     plant. The certificate must be renewed by filing a Form R-6 by August 1st of each year.

   * Other typed plants (drip, scrubbers, separators, dehydrators, etc., which produce only liquid
     hydrocarbons specified in Section V 1, 2, and 3 of the Form R-3) do not need a certificate of compliance.

3. Form R-3: Monthly Report for Gas Processing Plants. This is a monthly report which must be filed
   by all operators of gas processing plants in accordance with Statewide Rule 34. The original is to be filed
   with the Commission's Austin Office no later than the 25th of the month following the month for which
   operations are being reported. The failure to timely file the Form R-3 may result in the liquid
   hydrocarbon stock – on – hand being frozen for the delinquent plant/facility by Commission action.
   Several facilities (drips, scrubbers, and compressors) may be reported on one Form R-3 if they serve a
   main system where gas is delivered for final processing and disposition. The Form R-3 must be filed
   beginning with the initial month of operation through to the time when the plant is no longer in operation.
   When operations have ceased and all stock in inventory has been disposed of, mark the Form R-3 as
   "Final Report" in Section XI No. 3. If the Form R-3 is the first report for a new plant, not "New Plant" at
   the top of the form. For new plant serial numbers, Fax a completed R-3 with all appropriate lines filled in
   and a serial number will be issued. Detail instructions for the Form R-3 are covered below.

4. Changes in gas processing plant operator, plant name or plant type are to be brought to the attention of
   Gas Plant Audits Section of Permitting/Production Services by noting the changes and effective dated on
   the Form R-5, R-6 and in Section XI Line 3 of the Form R-3: Monthly Report of Gas Processing Plants.
DETAILED INSTRUCTIONS FOR THE FORM R-3: MONTHLY REPORT FOR GAS PROCESSING PLANTS

Purpose of the Form R-3. It is an accounting in general and in detail of:

- natural gas received at the gas processing plant or facility and its disposition
  see Natural Gas detail below,
- solids, other gases, and liquid hydrocarbons, that result from the treatment
  and/or processing of the gas are received by the plant/facility; for liquid
  hydrocarbon production, there is also stock balancing and disposition (see other
  materials below).

Identification Section of the Form R-3

- use the serial number as assigned by the Commission Austin Office
- use the operator name exactly as shown on Form P-5 (Organization Report) and operator number.
- use the operator name exactly as listed for the Commission assigned R-3 Serial number (system name is
  no longer required).
- List the names of fields that are the source of the natural gas supply
- Give the name of the county where plant/facility is located
- Physical location (for initial R-3 only) show street address, direction, or distance from nearest major
  intersection.
- Give the maximum daily MCF that the plant or facility was constructed to process
- Give type of plant

Section I, II, III, IX, and XI relate to natural gas. All gas volumes must be reported in the thousands of cubic feet (whole numbers only, no decimals) at a base pressure of 14.65 PSI absolute and a base temperature of 60 degrees Fahrenheit in accordance with the gas measurement law. The number and volumes from all oil and/or gas well connected to the whole system are to be included. Note: do not fill out these sections if the R-3 is filed for a main line drip station (see other material detail)

Section I: Intake Volumes (MCF monthly)

1. - 6 number of wells and gas volumes must be given separately for gas well and casinghead gas as well as totals.
* Gas Well: a producing well carried
on the Commission gas well proration
schedule.

* Oil Well: a well that is producing oil and casinghead gas and is carried on the Commission oil well proration
schedule

2. Total volume of gas PRODUCED BY WELLS connected to the plant by any gathering system (s) AS
MEASURED AT THE WELL FOR GAS WELL GAS OR ON THE LEASE FOR CASINGHEAD GAS.

3. Volume of gas from the gathering system that will not be processed through the plant/facility. If any volume
   is listed, Section II must be completed to itemize its disposition. The volumes across Line 3 for gas well gas,
   casinghead gas, and total should equal those volumes shown in Section II, Line 10.

4. The volume of gas from the gathering system that Will be processed. (Line 2 minus Line 3.)

5. Volume of gas coming into the plant/facility from the well AS MEASURED BY PLANT INTAKE METERS.


8. Volume of natural gas received for further processing from ANOTHER GAS PROCESSING
   PLANT/FACILITY that is being reported on a Form R-3 by that plant/facility. The Commission assigned
   serial number of that plant/facility is be given on this Line and the amount of gas in the total column.
9. Volume from a line carrying gas that is already processed and/or gathered directly from gas wells or oil leases.

10. Gas Withdrawn From Storage. Occasionally gas is withdrawn from some reservoirs and sent to processing plants. In this case, they will
    Show the total volume gotten from all reservoirs on the line that says withdraw from storage.

11. Volume of natural gas that is received for processing or further disposition from another state. The name of the state is to be given on this line along with the amount of gas in the total column.

12. Total of volumes given in Lines 5 and 7 in the “Total” column. This total volume is to be itemized as disposition in Section III and should equal the volume shown in Section III Line 15, total.

SECTION II AND SECTION III both itemize total volumes according to the disposition of the natural gas. Section II is for gas from the gathering system that is not processed through the plant. Section III is for the residue gas. The following are explanations of the various dispositions.

1. Extraction Loss. Volumetric equivalent of liquid hydrocarbons removed during processing. If any liquid hydrocarbons are recovered, Section V must be completed.

2. & 3 H2S and CO2 Loss. Volume of hydrogen sulfide and/or carbon dioxide removed during processing. If any is recovered, Section IV must be completed. Note: Prior to removal of hydrogen sulfide, a Form H-9

Certificate of Compliance Rule 36 must be filed with the appropriate district office.


5. Fuel System and Lease Use/Lease Fuel and Use. Volume of natural gas used, sold / given for field operations, lease drilling fuel, compressor fuel, etc.

6. Gas Lift. Volume of gas used, sold, or given for injection into oil wells to lift oil that will be reported by the lease operator on the Form P-1 production report in Column 9.

7. Repressuring and Pressure Maintenance. Volume of gas used, sold or given to maintain up reservoir pressure through an injection well in an oil reservoir. If any volume of gas is reported under this disposition Section IX must be completed and there must be agreement between volumes in both sections.

8. Cycled. Volume of gas returned to gas cycling projects (gas reservoir / gas cap of association reservoir) after extraction of liquid hydrocarbons. If any volumes of gas under this disposition Section IX must be completed.

9. Underground Storage. Natural gas injected into underground storage. If any volume of gas is reported under this disposition, Section IX must be completed.
    Note: A monthly GAS STORAGE DATA SHEET (G-2) must be filed with the Commission in Austin.

10. Carbon Black Plants. Volume of natural gas delivered to a gas carbon black plant
11. Other Processing Plants. Volume of natural gas delivered to ANOTHER GAS PROCESSING PLANT/FACILITY which will report its receipt on a Form R-3.

12. Transmission Line. Volume of natural gas sent through transmission line to be used for industrial plant, irrigation fuel, refinery fuel, etc.

13. Vented. Volumes of gas unavoidably vented. If any volume is given, Section XI must be completed.

14. Meter Difference. Volume of difference between Section I, Line 12 and Section III sum of volumes of numbers 1 - 13. If this amounts to 10 percent or more of Section I, Line 12, a letter of explanation must be attached to Form R-3.

1. Extraction Loss due to removal of water should be listed in Section III identified as item 15.

2. Extraction Loss due to Nitrogen should be listed in Section III listed as item 16.

Totals. (Lines 1 - 16) The totals of Section II must equal the totals of Section I Line 3, while the total of Section III Must equal Section I Line 12.

Section IX: Report of gas injected. Only gas from this plant/facility is to be shown in this section. If any volumes were listed in either Section II or Section III under the following disposition, this section must be completed.
* Repressing and Pressure Maintenance  * Cycled  * Underground Storage

In Column 3, “Lease”, please put the oil lease or gas well ID number in parentheses under the lease name. If more space for injection listing is needed, continue on a form R-4; Gas Processing Plant Report of Gas Injected. Oil wells receive credit for gas injected and reported by the lease operator as “repressuring and maintenance” on Form W-9. Gas wells receive credit for gas cycled and reported a “cycled” on Form G-9.

Section X: Detail of delivery of gas. If any volumes were listed in either Section II or Section III under the following dispositions, this section must be completed.
* Other processing plants  * Transmission line(including gas to others for lease use, storage, industrial use, etc)

Gas shown in Section II is to be listed under “Unprocessed Gas” column, while that shown in Section III is to listed as “Residue Gas” column. Deliveries of both contract gas and non-contract should be reported in this section. Include contract gas for injection.

Section XI: Remarks. If volumes are listed in Section II or Section III under the disposition of “Vented”, this section must be completed. Section I for unprocessed gas, Section 2 for residue gas.

Other Materials Detail

Section IV relates to the recovery of sulfur and CO2 during the processing of the natural gas. Section V, VI, VII, and VIII relate to the production, stock balancing, and disposition of liquid hydrocarbons resulting from the processing of the natural gas. All liquid quantities shown shall be in barrels of U.S. gallons based on actual physical guages computed from 100 % U.S. Tank Tables or other method of measurement approved by the Commission and corrected for the temperature at the time of measurement to a standard temperature of 60 degrees Fahrenheit. Do not use fractions of barrels of liquid in this report.
* Main-line drip stations need fill out ONLY Section V, VI, VII, and VIII and leaving Section I-IV and IX-XI blank. A main-line drip station is one located downstream from the main gas processing plant compressor, that is, the gas has ALREADY been through the plant.

* Operators in the Panhandle oil fields refer to Commission memorandums of September 24, 1985 and February 6, 1986, concerning the reporting of LTX liquids on Form R-3.

Section IV: Sulfur and CO2 Recovery. Sulfur should be reported in long tons.

Section V: Plant Liquid Hydrocarbons Production (barrels only). ALL liquids production is to be reported on this section. No 11 is the total of all volumes listed in No’s 1 thru 10. This total should be identical to the total in Section VII Line 5, “Produced”. Do not include as production any products received since this section is only for those products extracted from natural gas taken into the plant for processing.

1. Condensate from Gas Well Gas: drip and/or condensate production from gas well gas are liquids reported on Form R-3. Do not report any condensate production on the Form P-2 (Producers Monthly Report of gas wells). Any volume entered here is to be carried over to Section VII, Line 5, first column.

2. Drip and/or Scrubber Oil from casinghead Gas: The total volume of drip and/or scrubber oil recovered prior to compression from casing head gas by the gas processing plant. This drip from casinghead gas is assumed to be liquids in the line that have naturally dropped out of casinghead gas. This would include ALL liquids that cannot be proven to be dripped from gas well drip.

3. Plant Condensate: Condensate recovered after compression through plant processing and not recoverable through normal lease separation. Any volume entered here must be carried over to Section VII, line 5 and included in the first column. NOTE: When reporting hydrocarbons or LPG mixtures in this section, the components should be listed if they are known rather than the mixture itself.

Section VI: Detail of Drip of Scrubber Recovery: This must be completed, including well counts if the Form R-3 is being filed for a main-line drip station or or a system composed of more than one facility. Total volume should be the same as that shown for Section V, Number 2.

Section VII: Barrels (liquid hydrocarbon stock balancing). In this section, the details are given of the various liquid hydrocarbons that were reported in Section V, opening and closing inventories, receipts, deliveries, and losses. LPG and hydrocarbon mixtures should be broken down and listed by components if those components are known.

- Line1: Should equal Line 10 of the previous month’s R-3.
- Line2: Stock being held by Commission action due to violation of Commission rules
- Line3: Total of line 1 plus Line 2
- Line4: Amount received into plant for further processing or disposition: must be itemized in Section VIII
- Line5: Total of volumes reported in Section V as extracted from natural gas taken into the plant for processing. Do not list any products that were received; they are to be listed in Line 4 by component.
- Line6: Amount taken from plant for delivery elsewhere including LPG placed in underground storage; must be itemized in Section VIII
- Line7: Amount lost due to evaporation, theft, etc., An explanation should be given.
- Line8: Line 3 plus line 4 plus line 5 minus line 6 minus line 7
- Line9: See Line 2 explanation
- Line10: Line 8 minus Line 9. Should equal Line 1 following month’s Form R-3

Section VIII: Liquid Operations Statement. In this section, any liquid hydrocarbons listed in Section VII on lines 4 or 6 must be individually identified.
LPG and hydrocarbons mixtures are to be given as a mixture rather than by components. Any commodities going into or coming from underground storage should be listed in this section with notation of “underground storage” made in the first column.

All receipts and deliveries must be shown. If the commodity is condensate, drip, or scrubber liquid hydrocarbon or the company listed is another gas processing plant, the second column must also be completed by entering the COMPLETE Commission assigned registration serial no. of the receiving/delivering company, (e.g., T-1 8A-004,R-3). If the transaction is wholesale/retail, note this in the second column.

If additional space is required to list receipts and deliveries, a page may be attached listing in the exact same format as shown in Section VIII.

OTHER REFERENCES: SWR 56 Scrubber Oil and Skim Hydrocarbons

AUSTIN, TEXAS PERMITTING/PRODUCTION SECTION OCTOBER 2000

Summary of Form R-3 Balancing Conditions

1. Section I, line 12 (Total) needs to equal Section III, line 16.
2. Section I, line 3 needs to equal Section II, line 10.
3. Section I, line 8 needs to include serial number from the other processing plant(s). Circle your response before submitting.
4. Section I, line 11 needs State abbreviation. Circle your response before submitting.
5. Lines 2, 4 and 5 should equal the same total unless loss or gain on line 6.
6. Lines 5 and 6 equal line 4 and 2.
7. Section I, line 3 equals total in section II, so this line is subtracted from line 2 and equals line 4.
8. Section V numbers need to be the same in Section VII, line 5.
9. Section VI no longer applies. Can be omitted.
10. Section VII, line 4 needs to be the same as Section VIII under Received. Make sure to complete the rest of section VIII and to complete the Totals.
11. Section VII, line 6 needs to be the same as Section VIII under Delivered. Make sure to complete the rest of section VIII and to complete the Totals.
12. Section VII, line 7 loss needs explanation in Section XI.3 (Examples - BS&W, Evaporation or measurement loss. Please circle response before submitting.)
13. Section VIII does have a total line.
14. Section IX numbers come from Section II line 3, 4 and/or 5 and/or Section III, line 7, 8 and/or 9.
15. Section X numbers for Unprocessed Gas comes from Section II, line 6 (List amount on line 6 as “A” under “Use or Disposition”) and/or 8(List number on line 8 as “B” under “Use or Disposition”).
16. Section X numbers for Residue Gas comes from Section III, line 11(List number on line 11 as “A” under “Use or Disposition”) and or 12 (List number on line 12 as “B” under “Use or Disposition”).
17. Section XI, line three explains the loss in Section VII. Line 7 or reason for Final Report or information when the plant is being transferred to another operator.

Please refer periodically to the online version of the form instructions for updates:

http://www.rrc.state.tx.us/forms/forms/og/pdf/r-3ins.pdf
### Monthly Report for Gas Processing Plants

**Operator**
- **Name**
- **County**
- **Serial No.**

**Operator Address**
- **Address**
- **City**
- **State**
- **Zip Code**

**Plant/System**
- **Name**
- **Type**
- **R-1 Plant No.**
- **Intake Capacity**

**Physical Location**
- **Street Address**
- **City**
- **State**
- **Zip Code**

### Section I: Inlet Volumes (MCF month)

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Well Gas</th>
<th>casinghead</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No. of wells produced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gas into gathering system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Fuel from gathering system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gathering system to plant for processing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Plant intake - from plant meters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Loss or gain - type between lines 1 &amp; 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Repress &amp; pressure maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Plant fuel - from gathering system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Power plants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Net gas to plant for processing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section II: Direction of Unprocessed Gas from Gathering System (MCF month)

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Well Gas</th>
<th>casinghead</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fuel system and lease use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gas lift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Repress &amp; pressure maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Cycled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Underground storage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Other processing plants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Carbon black plants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Vented</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section III: Disposition of Residue Gas (MCF month)

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Well Gas</th>
<th>casinghead</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extraction loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. $ loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Co-loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gas lift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Lease fuel &amp; use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section IV: Sulfur and CO Recovery

<table>
<thead>
<tr>
<th>Description</th>
<th>Sulfur</th>
<th>CO</th>
<th>N2</th>
</tr>
</thead>
</table>

### Section V: Plant Liquid Hydrocarbon Production (barrel/month)

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Well Gas</th>
<th>casinghead gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Condensate from gas well gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Scrubber oil from casinghead gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Propane</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gasoline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Butane</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Ethane</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Butane/propane mix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Isobutane</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section VI: Detailed Scrubber Recovery (Gal for identifiable slugs not returned)

<table>
<thead>
<tr>
<th>Source of Scrubber/Condensate Slugs Not Returned</th>
<th>No. of Gas Wells</th>
<th>No. of Oil Wells</th>
<th>Barrels</th>
</tr>
</thead>
</table>

(Use Attachment of Necessary)
SECTION VII: Balance

<table>
<thead>
<tr>
<th></th>
<th>Contents</th>
<th>Scraped Oil</th>
<th>Gasoline</th>
<th>Brine</th>
<th>Propane</th>
<th>Phase</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>OPENING BALANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>FROZEN STOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>TOTAL OPENING STOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>RECEIVED (Sec VII)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>PRODUCED (Sec V)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>DELIVERED (Sec VIII)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>LOSS (Explain in Sec XIII)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>TOTAL CLOSING STOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>FROZEN STOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>CLOSING BALANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION VIII: Liquid Operations Statement

<table>
<thead>
<tr>
<th>Company</th>
<th>ERC Registration Serial No.</th>
<th>Commodity</th>
<th>Received Bbl</th>
<th>Delivered Bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTALS

SECTION IX: Report of Gas Injected – Direct Repumping, Pressure Maintenance, Cycling, or Underground Storage – If Additional Space Needed, Use Form R-4

<table>
<thead>
<tr>
<th>Field and Reservoir</th>
<th>Well</th>
<th>In.</th>
<th>MCF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION XI: Detail of Delivery of Gas – Except Lease Fuel System (MCF monthly)

<table>
<thead>
<tr>
<th>Delivered to Whom</th>
<th>Use or Disposition</th>
<th>Unprocessed Gas (Sec V)</th>
<th>Residue Gas (Sec III)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION XII: Remarks

1. REASON FOR VENTING UNPROCESSED GAS
2. REASON FOR VENTING RESIDUE GAS
3. 

CERTIFICATION

I declare under penalties prescribed in Sec. 91.141, 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 therein are true, correct, and complete, to the best of my knowledge.

Signature

Name of Person (type or print)

Time

Phone No. WAC

INSTRUCTIONS: Reference Statewide Rule 36, Leasing Oil and Gas Reserves
1. This report shall be filed (original only) with the Austin Office of the Railroad Commission no later than the 25th of the month following the month being reported.
2. Operators of gas processing facilities that report storage reports other than or in addition to those listed in Section V, items 1, 2, 3, must complete and submit a form R-5, Certificate of Compliance.
3. Change of Operator, New R-5 facility operators must file a Form R-5 prior to the effective date of the change. Both the new and old operators of non-R-5 facilities, when filing an R-5 report, must use the operator name change and the effective date in Section XI, item 1. A final report is NOT to be filed unless Form R-4 below applies.
4. Final, Report, File a final Report when there is no remaining stock in hand. If there is no facility will be closed at least six months.
5. Signature: The individual preparing the R-5 report is authorized to sign.
6. Totals: The Totals in all columns are to be filled out if there have been any volumes given in the sections.
7. Detailed Instructions, Available from the Permitting & Production Section, Oil and Gas Division, Railroad Commission, Austin, Texas.
<table>
<thead>
<tr>
<th>Check List</th>
<th>Form</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P-5</td>
<td>SWR – 1</td>
</tr>
<tr>
<td></td>
<td>G-3</td>
<td>SWR – 96 and 97</td>
</tr>
<tr>
<td></td>
<td>Annual Storage Report</td>
<td></td>
</tr>
</tbody>
</table>
# G-3 – Gas Storage Data Sheet

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division – Production Allocation  
P.O. Box 12967, Austin, Texas 78711-2967  
FAX 512-463-6955

<table>
<thead>
<tr>
<th>1. Operator Name</th>
<th>2. Oper. P-5 Organization No.</th>
<th>3. DATE REPORT FILED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. RRC District No.</th>
<th>5. County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Facility Name</th>
<th>7. RRC field number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>other (specify)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Lease Name(s), as shown on RRC proration schedule</th>
<th>9. Lease number(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10. UIC project (formation) or permit (salt dome) no.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Max. storage capacity</th>
<th>12. Minimum pad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13. Max. injection rate/day</th>
<th>14. Max. withdrawal rate/day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## SECTION I. Stored Gas Inventory (working volume)

<table>
<thead>
<tr>
<th>15. Beginning balance of stored gas</th>
<th>A. Preliminary (1st-15th current mo.)</th>
<th>B. Final (full preceding mo.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>16. Volume of gas injected</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Gas owned by storage operator</td>
</tr>
<tr>
<td>b. Gas owned by affiliate of storage operator</td>
</tr>
<tr>
<td>c. Gas owned by non-affiliated third party</td>
</tr>
<tr>
<td>d. Other</td>
</tr>
<tr>
<td>e. TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>17.Volume of gas withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Gas owned by storage operator</td>
</tr>
<tr>
<td>b. Gas owned by affiliate of storage operator</td>
</tr>
<tr>
<td>c. Gas owned by non-affiliated third party</td>
</tr>
<tr>
<td>d. Other</td>
</tr>
<tr>
<td>e. TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>18. Ending balance of stored gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## SECTION II. Resident Gas Inventory (non-working vol.)

<table>
<thead>
<tr>
<th>19. Current volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## SECTION III. Native Gas Inventory

<table>
<thead>
<tr>
<th>20. Beginning balance of native gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>21. Total volume of native gas withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>22. Ending balance of native gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## SECTION IV.

<table>
<thead>
<tr>
<th>23. Total gas in storage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## CERTIFICATION

I declare under penalties prescribed in T.N.R.C. Sec. 91.413 that I am authorized to make this report, that it was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature __________________________ Name (print) __________________________ Phone __________________________

Title __________________________ Contact (if different) __________________________ Phone __________________________

| REPORT ALL GAS VOLUMES AT 14.65 PSIA PRESSURE AND 60°F, IN MCF |

| READ INSTRUCTIONS ON REVERSE SIDE |
Instructions for Filing

Form G-3: Gas Storage Data Sheet

**Who Files**
The Form G-3 is filed by the operator of underground gas storage facilities.

**When and Where to File**
File the G-3 no later than two (2) working days after the 15\textsuperscript{th} day of each month. Fax a copy of the form to the Oil and Gas Division's Production Allocation Section – Engineering Group at (512) 463-6780. Mail the original at the same time to the address shown on the front. Special filings may be required during periods of very high demand for gas supplies; storage facility operators will be notified when this occurs. A separate Form G-3 should be filed for each facility.

**What does the G-3 cover**
The G-3 covers volumes and rates for two periods. Data for both is filed at the same time on the same sheet.

- **PRELIMINARY.** This is the data representing activity at the facility for the period from the 1\textsuperscript{st} – 15\textsuperscript{th} of the current month. This includes the data from the 15\textsuperscript{th} day.

- **FINAL.** This is the data representing activity at the facility for the full preceding month.

**General Identification and Information Section**
The RRC district no. and the county are those in which the storage facility is located. The facility name is that under which the facility is permitted and the lease name(s) are those for the wells which are assigned to the field in which the facility is located. The UIC project number is the number assigned to reservoir storage. (If the storage facility is in a salt dome formation, a UIC permit number is assigned, instead.) Maximum storage capacity is the known maximum capacity of the storage facility. The minimum pad is the total volume of gas which will maintain the required rate of delivery during an output cycle. The maximum injection rate/day is the maximum volume of gas that can be injected on any given day under normal operating conditions while the maximum withdrawal rate/day is the maximum volume of gas that can be withdrawn on any given day under normal operating conditions.

**Section I**
**Stored Gas Inventory (working volume)** - Reflects injected/stored gas volumes immediately available to meet demand, excluding Resident Gas (see Sec. II) and Native Gas (see Sec. III). Injected and withdrawn volumes are to be split out by who retains title to the gas being stored: the storage operator, a party affiliated with the storage operator, or a non-affiliated third party. The term “affiliate” is to be read to include direct and indirect common ownership or control, joint venture, partnership, or other form of coordinated relationship.

**Section II**
**Resident Gas Inventory (non-working volume)** – Cushion or pad gas volume maintained/held in storage for operational purposes, excluding Native Gas (see Sec. III), and not available to meet demand.

**Section III**
**Native Gas Inventory** – Native gas volume as defined under Texas natural Resource Code Sec. 91.173 (4) and required under Sec. 91.174 (A)(3), 91.175 and Commission Final Order, to be reported and accounted for by the operator of the storage facility.

**Section IV**
**Total Gas in Storage** – The sum of sections I, II, and III.

10/10/94
TO: ALL OPERATORS OF UNDERGROUND NATURAL GAS STORAGE FACILITIES IN THE STATE OF TEXAS

FROM: The Railroad Commission of Texas

RE: Revised Gas Storage Data Sheet, Form G-3

The Commission approved revision of the Gas Storage Data Sheet required for monthly reporting of gas storage facility data effective October 10, 1994. Please use the Form G-3 (rev. 10/94) to report monthly storage data no later than two working days after the 15th of each month.

The Form G-3 consolidates the requests that in the past have been made by telephone by staff of the R-3 Section of the Oil and Gas Division and the former Reports and Curtailment Section of the Transportation/Gas Utilities Division. Those telephone inquiries have been replaced by the data submitted on the Form G-3. In an emergency you may be contacted by phone.

If there are any questions concerning the filing of this form please contact the Engineering Unit at 512-463-1126 or 6943.
# Annual Gas Storage Operator Report

RAILROAD COMMISSION OF TEXAS  
R-3 Section, Oil & Gas Division  
P. O. Box 12967, Austin, Texas 78711-2967

## Annual Gas Storage Operator Report

REPORT YEAR: __________

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-5 No:</td>
<td>P-5 No:</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address</th>
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<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Facility Location</th>
</tr>
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<table>
<thead>
<tr>
<th>RRC District</th>
<th>County</th>
<th>Field Name &amp; No.</th>
<th>UIC Project No. or UIC Permit No.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Injection Period</th>
<th>Start</th>
<th>End</th>
<th>Total Hours</th>
<th>Injection/Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>3</td>
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<table>
<thead>
<tr>
<th>Withdrawal Period</th>
<th>Start</th>
<th>End</th>
<th>Total Hours</th>
<th>Injection/Withdrawal</th>
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</thead>
<tbody>
<tr>
<td>1</td>
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<td>2</td>
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### 11. 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 and or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: ___________________________  Date: __________

Name of Person Signing: ___________________________

Title: ___________________________  Phone: __________

Address: _______________________________________

*Please fill out information or reverse side of form.*
12. Summary of storage service by customer: (Please use separate page for each customer).

<p>| | | | |</p>
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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>a. Customer: Consistent with RCT practice, storage operator may use coded identification numbers for each customer.</td>
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<tr>
<td></td>
<td>( ) Customer is affiliate of storage operator</td>
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<td>b. Contracted Volumes: (if applicable)</td>
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<td>c. Type of service: E.g., firm Interruptible, Seasonal Annual, etc.</td>
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<td>d. Type of customer: E.g., LDC, electric utility, marketer, producer, broker, industrial end user, intrastate pipeline, interstate pipeline, etc.</td>
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<tr>
<td>e. RCT Tariff No. applicable to this customer.:</td>
<td>f. Injection charge: ($/mcf)</td>
<td>g. withdrawal charge: ($/Mcf)</td>
<td>h. Demand/Reservation Charge ($/Mcf)</td>
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<td></td>
<td>i. Deliverability charge: ($/Mcf)</td>
<td>j. Other charges:</td>
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<tr>
<td>k. Storage Balance on hand for this customer as of January 1st of reporting year:</td>
<td>Injection Withdrawal</td>
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<td></td>
<td>Total Injections/Withdrawals for January</td>
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<td>Total Injections/Withdrawals for February</td>
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<td>Total Injections/Withdrawals for March</td>
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<td>Total Injections/Withdrawals for April</td>
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<td>Total Injections/Withdrawals for May</td>
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<td>Total Injections/Withdrawals for June</td>
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<td>Total Injections/Withdrawals for July</td>
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<td>Total Injections/Withdrawals for August</td>
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<td>Total Injections/Withdrawals for October</td>
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<td>Total Injections/Withdrawals for November</td>
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<td></td>
<td>Total Injections/Withdrawals for December</td>
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<tr>
<td>l. Storage Balance on hand for this customer as of December 31st of reporting year:</td>
<td></td>
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</tbody>
</table>
ANNUAL GAS STORAGE OPERATOR REPORT
INSTRUCTION

1. All gas volumes are to be reported in Mcf (thousand cubic feet).
2. Attach additional sheets for responses that exceed space provided.
3. Please sign and date form.
4. In Box 12, the coded I.D. number is a unique number assigned by the storage operator. The term “affiliate” is to be read to include direct and indirect common ownership or control, joint venture, partnership or other form of coordinated relationship. The term “contracted volume” refers to the maximum contractual quantity available to the customer under the type of service being provided. If the service is provided only as available, for example, there will be no response in this box. If a rate is charged other than suggested in boxes 12.f through 12.i., please indicate that rate in rate in box 12.j.
5. Deadline for submission is by January 31st of each year.

File with:
G-3 Section, Oil & Gas Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

6. For questions regarding the completion of this form, please contact the G-3 Section of the Oil & Gas Division at (512) 463-3840.
TO: ALL OPERATORS OF UNDERGROUND NATURAL GAS STORAGE FACILITIES IN THE STATE OF TEXAS

FROM: The Railroad Commission of Texas

RE: Annual Gas Storage Operator Report

As approved on October 10, 1994, the Commission requests the annual reporting of the indicated data on the Annual Gas Storage Operator Report. Please complete the form and file it as required in the instructions no later than 5:00 p.m., on January 31st of each year.

If there are any questions concerning the filing of this form please contact the Oil and Gas Engineering Department at (512) 463-1126 or 6943.

UIC permitting procedures can also be found at http://www.rrc.state.tx.us/divisions/og/uic/manual/HTML/index.html.