INSTRUCTIONS FORM P-1B: PRODUCER'S MONTHLY SUPPLEMENTAL REPORT

FILING REQUIRED. File the P-1B on a monthly basis for:

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

WHEN AND WHERE TO FILE. The original of the monthly P-1B report is due in the Commission's Austin office on or before the last day of the month following the month covered by the report.

ORDER OF THE REPORT AND CERTIFICATION INFORMATION.

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

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

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

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

CRUDE OIL DISPOSITION CODES:

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

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