

RAILROAD COMMISSION OF TEXAS



Oil & Gas Division

Form P-18 Instructions

Monthly Skim Oil/Condensate Report

Statewide Rule 3.56

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GENERAL

PURPOSE OF FILING:

The *Form P-18 (Skim Oil/Condensate Report)* is to be filed for the recording of the liquid hydrocarbons recovered from a saltwater gathering systems or other approved facilities. This form is associated with the reporting of the Form T-1 (Monthly Transportation and Storage Report), and Production Reports (Monthly Production Report).

WHO FILES:

The Form P-18 should be filed by operators of facilities from which skim liquid hydrocarbons are sold or disposed of by injection or other approved methods.

WHEN AND WHERE TO FILE:

The Form P-18 shall be filed with the Commission's Austin office on or before the 15th day of the month following the reporting period covered by the Form P-18. The Form P-18 can be mailed electronically via email or mailed to P.O. BOX 12967, Austin Texas, 78711-2967.

If sending in via electronic mail (e-mail) please address to SkimOil_Condensate_Reporting@rrc.texas.gov and ensure to add SUBJECT " Filing P-18 – 'ORGANIZATION NAME'" along with form in PDF format.

Additional information can be found in the Oil & Gas Procedure Manual, Section J at <https://www.rrc.texas.gov/oil-and-gas/publications-and-notices/manuals/oil-and-gas-procedure-manual/>

HEADER INFORMATION

The information is required when completing any of the pages associated with the he Form P-18.

1. Operator Name - should reflect the organization filing the Form P-18 as identified on Commission records.
2. Operator No. - must match the P-5 number associated with the Operator Name submitting the Form P-18.
3. Address - listed in this section should match the address on record with the Commission.
4. Reporting Period - indicates the month and year the report is being completed for.
5. Purpose of Filing - should be selected: Monthly, Initial, Corrected, or Final report.
6. Is this a Consolidate P-18? - if yes, refer to "Requirements for Authorization to combine P-18 reports" below.
7. System Serial No. - is assigned by the Commission to the Operator for filing Form P-18_reports. This number will be blank on the initial filing of the Form P-18. Once the system serial number is assigned, then it is required on all future filings.
8. District & Lease/ID - if applicable, the RRC issued Lease number associated to the disposal well. If an RRC Lease number has not been assigned at time of filing, then a Drilling Permit number is required. Leave blank if this facility is not associated with an RRC lease.

Requirements for Authorization to combine P-18 reports.

Request is only applicable to interconnected water disposal and supply networks.

Submit a request letter on company letterhead to the Railroad Commission of Texas addressed to the manager of the Production Department.

Letter Details:

- Purpose of request.
- Description of system.
- RRC issued lease numbers for the Disposal Wells and associated Serial System numbers.
- Schematic of integrated system.

If approved, a new System Serial number will be assigned on the first combined P-18 filing. Use the new System Serial number to file future P-18 filings. A “final” P-18 report should be filed for all associated P-18s that have been consolidated. A list of all associated disposal wells and injection volumes will be required as part of the monthly filing, refer to Form VI (B) Consolidated P-18. If additional disposal wells are added after authorization, a new request will need to be filed and approved by the Commission.

SECTION I: LOCATION DETAILS

1. Name of Gathering System or Facility : should reflect the organization as identified on Commission records.
2. County : should reflect the county the facility is physically located in.
3. RRC District No. : should reflect the district associated with the facility.
4. Survey : fill out applicable information to Survey, Section, Block, Township, League, Labor, Porcion, Share, Tract, Lot and associated Abstract number is required.

SECTION II: METHOD OF DISPOSAL OF WATER RECEIVED INTO SYSTEM

API number is required if associated with a Disposal well, if not proceed to Line 2.

1. (A). Lease Name and Well No. of Disposal Well: - as identified on Commission records.
(B). Authorization for Disposal Well: UIC No. : enter the permit number that is issued by RRC Injection-Storage Permits (UIC) Department associated to the disposal well.
2. (A). Describe Disposal Method: select method that is applicable. “Other” may be Gas Plant, Transfer Facility, Wash Pits, etc.
(B). Authorization for Disposal Method: Permit No. : enter the Permit number issued to the facility by the Commission’s Environmental Permits Department or TECQ Permit number for Discharge

SECTION III: OPERATIONS DATA FOR REPORTING PERIOD

ALL BARRELS ARE TO BE REPORTED IN WHOLE NUMBERS

1. Number of RRC oil leases and/or gas well that the system gathers from - this should total as reported on Section VI.
2. Water received from producing RRC properties during reporting period - this would include Frac Water
3. Water received from non-producing properties during reporting period - this would include wash pits, reserve pits, tank batteries, plants, etc. These properties will not have an assigned RRC Lease number.
4. Total barrels of water received during reporting period (Line 2 + 3)
5. Out of State Water – Oklahoma or Louisiana or New Mexico or Other - select appropriate state or “other” to indicate the applicable state from which water is received from.
6. Total Liquid hydrocarbons skimmed from water or other method during this reporting period
7. Tolerance of liquid hydrocarbons not required to be allocated back to leases (Line 2 x .0005)
8. Excess Skim liquid hydrocarbons to be allocated/credited back to leases and/or gas wells from which they were produced (Line 6- Line 7)
9. Liquid hydrocarbons received as identifiable “slugs” credit to leases and/or gas wells from which they were produced - if a volume is reported, Section VI is required
10. Excess skim liquid hydrocarbon not credited on Line 9 but to be allocated back to properties served (Line 8 minus 9) - if a volume is reported, Section VI is required.

SECTION IV: STORAGE AND RUN DATA

ALL BARRELS ARE TO BE REPORTED IN WHOLE NUMBERS

1. Liquid hydrocarbons in storage beginning of reporting period - stock on-hand, this should be the end of the month balance from the previous month’s filing (in section IV line 5). If this stock does not match, a letter of explanation is required.
2. Total liquid hydrocarbons skimmed during reporting period which were not allocated back to leases.
3. Total liquid hydrocarbons sold during reporting period.
4. Total liquid hydrocarbons are transferred from one facility to another - an approved Movement Letter must be submitted with the filing. Movement Letters are submitted and approved by the District Office in which the facility resides.
5. Basic Sedimentation and Water (BS&W) collected during reporting period.
6. Liquid hydrocarbons in storage end of reporting period (Line 1 + Line 2 – Line 3 - Line 4 - Line 5 = Line 6).

SECTION V: GATHERER DATA

Report the name of the Gatherer, the amount gathered and RRC ID No.

1. Name of Gatherer(s) of liquid hydrocarbons sold or the collector of (BS&W) - should match the name on record with the Commission.
2. Amount: The barrels of crude/condensate – barrels are to be reported in whole numbers.
3. RRC ID No. - such as a T-1 registration number, R2 Facility number, P-18 System Serial number. If unassigned at time of filling, then use the associated Operator number.

CERTIFICATION

Certification represents the acknowledgement that all data provided is true, correct, complete, to the best of the filer's knowledge and is subject to penalties outlined in Sec.91.143, Texas Natural Resource Code. This section is to be noted with below items.

1. Printed Name: the full legal name.
2. Signature:
3. Title: Title of the filer with relation to the organization.
4. Date: Date of signature.
5. Telephone Number - direct number of the individual who filled out the report.
6. Email - providing an email address is optional.

If email is provided, the filer's email address will become part of public record.

SECTION VI: ALLOCATION OF EXCESS SKIM LIQUID HYDROCARBONS TO PRODUCING PROPERTIES

Allocation of Excess Skim Liquid Hydrocarbons to Producing Properties. Slugs credited to a producing property and liquid hydrocarbons are allocated back to RRC Leases in this section. All volumes are to be reported in whole barrels.

System Serial No. – as assigned to this P-18 report.

District No. – as assigned to the disposal well. If not applicable, then use physical location of facility

1. Field Name - as identified on Commission records.
2. Lease Name – as identified on Commission records.
3. Name of Operator of Lease - as identified on Commission records.
4. Lease No. – use the RRC issued Lease number, if lease number is pending assignment, use either an API number or Drilling Permit number.
5. Allocated to Lease - volume of hydrocarbons allocated back to RRC leases.
6. “Slugs” credited to Lease or Gas Well - volume of hydrocarbons allocated back to RRC leases.
7. Water received from Lease or Gas Well – volume of water taken from an RRC lease.

Totals – add all reported totals by column (5, 6, & 7)

SECTION VI(A): OUT OF STATE WATERS

Water imported from other States. All volumes are to be reported in whole barrels.

System Serial No. – as assigned to this P-18 report.

1. State – list the State from which the water was received.
2. Amount Skimmed - volume of hydrocarbons collected from processed water.
3. Volume of Water Received - volume of water taken from Source Operator.

SECTION VI(B): CONSOLIDATED P-18

Applicable only to a P-18 that has been provided authority to consolidate an interconnected water disposal and supply networks.

System Serial No. – as assigned to this P-18 report.

District No. – as assigned to the disposal well.

1. Field Name - as identified on Commission records.
2. Lease Name – as identified on Commission records.
3. Name of Operator of Lease - as identified on Commission records.
4. Associated Serial No. – provide the System Serial number prior to consolidation.
5. Lease No. – use the RRC issued Lease number, if Lease number is pending assignment, use either an API number or Drilling Permit number.
6. Water Injected – volume of water injected into the disposal well per report month in whole barrels.

TERMS APPLICABLE TO THE FORM P-18

API NUMBER: (American Petroleum Institute) a unique number assigned to a wellbore for identification purposes.

Allocation: Charging scrubber oil/skim hydrocarbons recovered by the plant/saltwater disposal system operator back to the producing properties connected to the plant/saltwater disposal system.

BBL: Abbreviation for barrel. In the energy industry, a barrel is 42 U.S. gallons.

BS&W: the volumes of non-hydrocarbons contained in a barrel of crude oil (dirt/sediments and water)

Commercial Disposal: facility that picks up from other operations.

Condensate: Any liquid hydrocarbon recovered by surface separators from natural gas.

Crude: Liquid petroleum as it comes out of the ground as distinguished from refined oils manufactured out of it.

Drilling Permit Number: a six-digit number assigned to approved Drilling permit applications.

Facility: all buildings, equipment, structures, and other stationary items that are located on a single site used for receiving and processing byproducts from oil and gas operations.

Frac Water: a mixture of water, sand, and chemicals.

Gatherer: any pipeline, truck, motor, barge, or person authorized to gather or accept oil and gas from lease production or storage.

Identifiable Slug of Liquid Hydrocarbons: Volume of liquid hydrocarbons that is received at the disposal facility where the origin of such liquid hydrocarbons can be clearly identified.

Hydrocarbons: Chemical combinations of varying hydrogen and carbon ratio such as are mixed in and compose crude oil.

Operator: A person, acting for himself or as an agent for others and designated to the Commission as the one who has the primary responsibility for complying with its rules and regulations in all acts subject to the jurisdiction of the Commission.

P-5 Number: A six-digit number assigned to an organization name by the Commission upon the initial P-5 approval.

Producing Property: Oil leases and gas wells; a producing unit assigned an identifying number by the Commission and used to report production.

RRC District: a group of counties within Texas assigned to set of boundaries designated by Commission.

RRC Identifier: For the purposes of this document, the RRC Identifier is the registration or serial number of the report associated with the facility that acknowledges this receipt. This a unique code consisting of letters and numbers that is considered as the System Serial or Registration number per the entity. All numbers will include Form Designation, District Number, and Registration or Serial number, for the RRC Identifier. (Example: R-3 04-1626, T-1 06-0021, R-1 06-0201, P-18 04-3600, OM 03-0473).

RRC Lease No. – a five-digit number assigned to oil wells and a six-digit number assigned to gas well by the Commission on designated tract of land. This numbers are preceded by RRC District.

Stock: Can consist of crude, condensate, gasoline, kerosene, plant distillate, gas oil, fuel oil, natural gasoline, or miscellaneous products.

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Tolerance: The amount of scrubber oil/skim hydrocarbons that may be recovered before the plant/saltwater disposal operator must allocate the producing property.

UIC No.: The Injection well inventory number assigned by the Underground Injection Control (UIC) program. Commonly shown as a 9-digit number leading with zeros (e.g., "000123456").

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