

INSTRUCTIONS

The Operator of record must submit an originally signed Form R-4 on GREEN LEGAL size paper with a copy for the Operator and a copy for each Transporter listed to be mailed once approved by the Office of Conservation (the copies can be on white paper). Mail completed forms to the Office of Conservation - Production Audit, P.O. Box 94275, Baton Rouge, LA 70804.

The Form R-4 shall be submitted to the Office of Conservation, Baton Rouge, Louisiana, covering each Production Facility from which oil, condensate, and/or raw make is transported. The Form R-4 shall be used for a new filing; an attachment to an existing Form R-4; a correction or a change to an existing Form R-4. A Form R-4 continuation sheet should be filed if more space is needed. Do not file a complete Form R-4 for additions to an existing Production Facility; show only the new information and the date of the existing Form R-4 to which such forms should be attached.

If an emergency arises before the Form R-4 is approved, the OPERATOR must secure an emergency authorization from the Baton Rouge Office before any legally produced oil, condensate, and/or raw make may be offered to a Transporter. Emergency authorization includes a clearance secured from the District Office in which the Field is located before any legally produced oil, condensate, and/or raw make may be offered to a Transporter from a Production Facility. Operator and Transporter are coequal in responsibility for not moving legally produced oil, condensate, and/or raw make from a Production Facility without an approved Form R-4 or an emergency authorization.

A new Form R-4 shall be filed to cover each change of operating ownership, lease/unit name, and each change of Transporter. In the event of a one-time movement by a temporary Transporter, in lieu of filing a new Form R-4, the Operator can request an emergency authorization by notifying the Office of Conservation, Baton Rouge, Louisiana, via letter the estimated amount of oil, condensate, and/or raw make to be moved by the temporary Transporter from the Production Facility. Once approved, a copy of such notice shall be furnished to the temporary Transporter. Such temporary Transporter shall not move any more oil, condensate, and/or raw make than the estimated amount shown in said notice.

A Transporter may NOT move oil, condensate, and/or raw make without a copy of the Form R-4 or emergency authorization approved by this Office.

A separate Form R-4 shall be filed for each Field tied into a commingling facility.

When properly executed and approved by the Office of Conservation, the Form R-4 shall constitute an authorization to a pipeline or other carrier to transport oil, condensate, and/or raw make from the Production Facility named thereon and shall remain in full force and effect until:

- A. Operating ownership changes; or
- B. The Transporter is changed; or
- C. The lease/unit name changes and there is no existing Form R-4 for new name; or
- D. All well(s) associated with the LUW code(s) are plugged and abandoned; or
- E. The authorization is cancelled; or
- F. The authorization is suspended by the Office of Conservation. In the case a suspension is lifted and Form R-4 is reinstated, a new Form R-4 is not required.

Before submitting the Form R-4, Operators are required to insert all code numbers which have been previously approved by the Office of Conservation. If a code has not been assigned, the Office of Conservation will enter the code on Form R-4 before approving the document and sending a copy to the appropriate Operator and Transporter(s). In all cases, the Operators are required to show the approved codes taken from Form R-4 when reporting production and disposition on Office of Conservation forms. Forms R-4 submitted with incorrect names shall be returned for necessary revisions.

The following instructions will highlight the method for completing each of the major sections of the Form R-4.

OPERATOR SECTION

Insert all available codes and names. The DISTRICT AREA CODE is a unique number assigned to identify the Office of Conservation District and indicates if the Production Facility is in the Onshore or Offshore Area. Examples: District Area Code/District Area: 2-1 Lafayette Onshore; 2-3 Lafayette Offshore; 5-1 Monroe Onshore; 6-1 Shreveport Onshore. Parish – Parish Code & Field Code – Field (found at www.sonris.com > SONRIS Data Portal > Code and Definitions). In the event a Production Facility serves multiple Parishes, list all applicable Parish Codes in the field.

In the event a filing is to cover a single lease or a single unit (ie, SEPARATE STORAGE), enter the lease name or the unit name on the PRODUCTION FACILITY NAME line - no PRODUCTION FACILITY CODE will be necessary.

The term PRODUCTION FACILITY as used herein describes the following:

SEPARATE STORAGE - A PRODUCTION FACILITY serving one lease/unit LUW code producing oil and/or condensate. One lease/unit may have multiple sales points yet only one Form R-4 is required if separate storage.

LEASE BATTERY - A PRODUCTION FACILITY serving one lease producing oil and/or condensate on a lease basis. The LEASE NAMES producing into the named PRODUCTION FACILITY are identical.

COMMON BATTERY - A PRODUCTION FACILITY into which the combined oil and/or condensate from leases/units is stored, and all contain the same division of ownership. A schematic of the facility and a narrative is required reflecting allocation methods and statement of 100% same ownership.

COMMINGLING FACILITY - A PRODUCTION FACILITY serving two or more leases/units, producing crude and/or condensate where participating interests vary from well to well. Necessary approval required via administrative or hearing process.

DRIP POINT/SCRUBBER/JT – A PRODUCTION FACILITY that collects the liquid hydrocarbons that condensate out of wet gas, usually associated with a natural gas pipeline, or raw make collected from a JT unit or chiller. In the Remarks section of the Form R-4 provide the Section, Township and Range, number of tank(s) and size, the effective date, a list of the wells that this drip/scrubber/JT/chiller services (not necessary for drip/scrubber off transmission lines) and a schematic of the facility (not necessary for drip/scrubber off transmission lines).

SALT WATER DISPOSAL SYSTEM (SWDS) – A PRODUCTION FACILITY that collects free and un-emulsified oil obtained (skimmed) from the produced water, usually associated with a salt water disposal system or gun barrel. In the Remarks section of the R4 we will need the Section, Township and Range, number of tank(s) and size, the effective date, a list of the wells that this system services and a schematic of the facility.

TRANSPORTER SECTION

CURRENT TRANSPORTER – The maximum number of Transporters that shall be listed on the Form R-4 is four (4). If filing for a change of Transporter list the former Transporter code/name in the FORMER Transporter Section.

WELL NAME SECTION

For each lease/unit in the Production Facility, enter the current code(s), operator code(s), and lease/unit name(s) in the columns provided. If applicable, include commingling Order number. The Product column represents the primary product for that lease/unit; enter a (1) for oil and a (2) for gas.

REMARKS SECTION (REASON FOR FILING THE R-4)

In all cases where the Form R-4 is filed to cover a change of operating ownership, show the previous Operator name/code and the effective date of the change. To cover a lease/unit change, show the previous well name/code and the effective date. When filing for Lease Battery/Common Battery/Commingling Facility, include all Serial Numbers that are serviced by the Production Facility. If needed, provide a list of wells as an attachment.

ALL NAMES/CODES MUST BE EXACT AS FILED WITH THE OFFICE OF CONSERVATION INCLUDING PUNCTUATION. IF CODE HAS NOT YET BEEN ASSIGNED, LEAVE THE FIELD BLANK. OFFICE STAFF WILL COMPLETE THE RECORD.