

UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
PT-310GW INSTRUCTIONS
OIL AND GAS WATER DISPOSAL FACILITY, POND or WELL

The instruction numbers below correspond with item numbers on the Oil & Gas Water Disposal Questionnaire form PT-310GW. Complete only the areas, which are applicable and leave all other areas blank. No deductions are allowed for state and federal income taxes, property taxes, depreciation, depletion, interest expense, royalties or exploration costs. Listing an estimate of the current assessment year operating costs is optional. If you leave this area blank, our office will estimate a future expense forecast based on your last year operating costs. Submit a copy of operating expense reports or lease operating statements if they are available. All information furnished is subject to audit by the Property Tax Division.

GENERAL INFORMATION

GROSS REVENUE

(lines 1-5) Enter details in schedule 1: Totals from schedule 1 are entered in column (c).

GROSS VOLUME

(lines 7-11) Enter details in schedule 2: Totals from schedule 2 are entered in column (c).

ALLOWABLE EXPENSES

(lines 13-29 on summary) Attach a copy of an Operating Statement or Operating Expense Report. If these reports are not available, detail the costs on a separate schedule. Examples of allowable costs include:

SALARIES AND WAGES: Only the portion of management salaries and employee wage that pertains to the mining operation can be used as an allowable cost (As reported on IRS W-2 wage and tax statements).

PAYROLL TAXES AND EMPLOYEE BENEFITS: Include any fringe benefits and taxes associated with allowable labor costs.

WORKERS COMPENSATION INSURANCE: The amount paid for Workers Compensation Insurance, or in lieu of that compensation insurance. (The actual amount of compensation for injured employees, and the compensation paid to the dependents of employees, required to be paid under the Worker's Compensation Law of Utah.)

MANAGEMENT SALARIES: Only that portion of labor and management personnel salaries that pertain to the operation can be used as allowable costs. (As reported on IRS W-2 Wage and Tax statements.)

GENERAL INSURANCE: General insurance policy premiums paid are allowed. Do not include self-insurance amounts, which may be listed on company records.

SALES AND USE TAXES: Actual sales tax paid, if included in reported income.

SUPPLIES AND TOOLS: The costs of supplies and tools used in the operation are allowed.

UTILITIES: Cost of utilities paid, directly pertaining to the operation.

MAINTENANCE AND REPAIRS: Normal maintenance and minor repairs should be entered here. Major one-time repairs should be listed as capital costs in the capital repairs and replacement section.

OFFICE AND ACCOUNTING: The portion of the office and accounting expenses pertaining to operations are allowed. Corporate overhead is not allowed.

LEGAL FEES: Legal fees associated with operations are allowed.

EXEMPT ROYALTIES: (from schedule 24)

FUEL: Costs of fuel utilized in the mining operation are allowed. Do not include fuel that is part of Line 19 (Transportation).

TRANSPORTATION: Transportation costs are allowed to the point of sale or self-consumption. Match related income and expenses.

ENVIRONMENTAL CLEANUP (actual or accrued): Actual or accrued costs for environmental cleanup.

RECLAMATION AND REMEDIATION: Costs to reclaim and remediate the property.

MISCELLANEOUS: (from schedule 29) Any cost allowed by the Utah State Tax Commission not listed above are allowed as a deduction. If you list miscellaneous costs, you must attach a schedule of those costs or they may not be allowed as a deduction.

SCHEDULE 1: REVENUES (lines 1-15)

- (a) Revenue source: Enter name of source.
 - (b) Water Injection revenue: Enter amount of revenue.
 - (c) Water Disposal revenue: Enter amount of revenue.
 - (d) Oil Sales revenue: Enter amount of revenue.
 - (e) Land Farm revenue: Enter amount of revenue.
 - (f) Other revenue: Enter amount of revenue. (including taken in kind).
- Total all columns on line 16

SCHEDULE 2: VOLUMES (lines 17-31)

- (a) Volume source: Enter name of source.
 - (b) Water Injection volume source: Enter total volume.
 - (c) Water Disposal volume: Enter total volume.
 - (d) Oil Sales volume: Enter total volume.
 - (e) Land Farm volume: Enter total volume.
 - (f) Other volume Enter total volume.
- Total all columns on line 32.

SCHEDULE 5: OTHER INCOME (lines 1-5)

Enter Royalty Payor and address in column (a) the Payor's phone number in column (b) with the amount received in column (c).

SCHEDULE 24: EXEMPT ROYALTY OWNERSHIP INTEREST (lines 7-11)

Enter Royalty Payee and address in column (a) the Payee's phone number in column (b) with the amount paid in column (c).

SCHEDULE 29: MISCELLANEOUS COSTS (lines 13-17) Any cost allowed by the Utah State Tax Commission not listed above are allowed as a deduction.

CAPITAL REPAIRS & REPLACEMENTS (lines 1-20)

The capital repairs and replacements section should include only costs associated with replacement of existing assets. Costs relating to the expansion of your operations are not allowed.
(Attach a signed copy of the AFE (Approval for Expenditure) for each approved expenditure.)

ALLOCATION OF ALLOWABLE EXPENSES (lines 2-20)

List company names in column (a) with the allowable expenses in column (b) and the percent of the total expenses in column (c).

ADDITIONAL INFORMATION

Include an explanation of any unique characteristics of this property that would affect market value.
Include a detailed schedule of any information provided in your return that has been allocated.

Deductibles: If assets are used in the mining operation and are taxed to someone else, or the Utah taxes have already been paid/or will be paid on them, such as leased land, improvements, equipment and/or licensed vehicles, the value of these assets will be subtracted from your income valuation. These deductibles need to be reported on Form PT-30.

NOTICE: Beginning 2016, the PT-31OGW Oil & Gas Water Disposal Questionnaire, and required documentation, should be attached with your PT-30 form to your return on TAP (Taxpayer Access Point).

<https://tap.tax.utah.gov/taxexpress>