

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
PT-310GP INSTRUCTIONS
OIL AND GAS PRODUCTION**

The instruction numbers below correspond with item numbers on the Oil and Gas Questionnaire form PT-310GP. 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.

ACCOUNT/CONTACT INFORMATION

UTAH TAX ACCOUNT NAME: Enter the Name of Business Entity or Sole Proprietor

UTAH TAX ACCOUNT NUMBER: Enter the Property Centrally Assessed (PCA) Account Number

ASSESSMENT YEAR: Enter the current assessment year

DOGMA ACCOUNT #: DOGM number issued by the Utah Dept. of Natural Resources

GENERAL INFORMATION

1. **API NUMBER:** Enter the 10-digit well's API number.

2. **WELL NAME:** Enter the well's name.

3. **FIELD NAME:** Enter the name of the field where the well is located.

4. **MAJOR PHASE (OIL OR GAS):** Enter either oil or gas as the major phase of the well.

5. **NATURAL GAS:**

Either (5a) GROSS AVERAGE SELLING PRICE BEFORE TRANSPORTATION: Enter the average price received from gas sales during last year using the formula: Sales Value divided by Sales Volume (\$/MCF).

Or (5b) CONTRACT SELLING PRICE: If you have a contract for gas sales, enter the amount of the contract price (\$/MCF) as of January 1, current assessment year. Include a copy of the contract.

(5c) CONTRACT TERMS (Months): If you have a contract for gas sales, enter the contract terms (months).

(5d) SELF-CONSUMED GAS: Enter the total volume of self-consumed gas for this well (MCF/Year).

(5e) LOST OR FLARED GAS: Enter the total volume of lost or flared gas for this well.

6. **NGLs: NATURAL GAS LIQUIDS AVERAGE SELLING PRICE (6a) or CONTRACT PRICE (6b):** Instructions are the same as for **NATURAL GAS (5a) & (5b)** above except that natural gas liquids are in place of gas and gas selling price; units should be \$/Barrel rather than \$/MCF.

(6c) CONTRACT TERMS (Months): If you have a contract for NGL sales, enter the contract terms (months). Include a copy of the contract.

(6d) NGL PRODUCTION RATIO (BBL OF NGL'S/MCF OF GAS): Indicate the number of barrels of NGL's produced per mcf of wellhead gas produced. This ratio should be in decimal format. Example: One barrel of NGL is produced for every 100 mcf of gas produced would be listed as $1/100 = .01$.

7. **OIL: OIL TYPE (7a) & OIL GRAVITY (7b):** Select the type of crude oil being produced and the predominant wellhead gravity rating.

8. **INDIAN TAX RATES:** List the Indian (a) severance, (b) property tax in decimal format. Example: 7.25%: 0.0725

9. **EXEMPT ROYALTY OWNERSHIP INTEREST:** Exempt royalty ownership interest should be in decimal format as shown in the example above for Indian tax rates. List the Federal (9a), State/County/Local (9b), Indian (9c). Total Exempt will be shown in (9d) column. If oil, gas and NGLs have different exempt royalty ownership interest, enter the total interest for each product type in decimal format (9e).

LEASE OPERATING COSTS

10. Please attach a copy of a Lease Operating Statement or Lease Operating Expense Report. If these reports are not available, detail the costs on a separate schedule. Examples of allowable costs include:

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

PAYROLL TAXES AND 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.

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

CONTINUED ON NEXT PAGE

TAXES: Do not include state and federal income taxes or property taxes.

SUPPLIES AND TOOLS: The costs of supplies and tools in well production are allowed.

POWER: Power costs pertaining to well production are an allowable deduction.

MAINTENANCE AND REPAIRS: Normal maintenance and minor repairs should be entered here. Major one-time repairs and workovers 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 well production are allowed. Corporate overhead is not allowed.

ENGINEERING AND LEGAL FEES: Engineering and legal fees associated with well production are allowed.

TREATMENT: Treatment costs of products produced are allowed.

GATHERING EXPENSE OIL: Include the oil transportation expense generated from company owned assets. See also Line 11 of this instruction.

GATHERING EXPENSE GAS: Include the gas transportation expense generated from company owned assets. See also Line 12 of this instruction.

MISCELLANEOUS: Any costs 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.

11. TRANSPORTATION OF OIL: Contracted costs paid to a third party associated with transporting oil produced at the wellhead to the point of sale are allowed as a deduction. Report the cost per barrel charged by the third party.

12. TRANSPORTATION OF GAS: Contracted costs paid to a third party associated with transporting gas produced at the wellhead to the point of sale are allowed as a deduction. Report the cost per mcf charged by the third party.

13. MISCELLANEOUS VARIABLE COSTS: Any variable costs allowed by the Utah State Tax Commission not listed under item 10 above are allowed as a deduction. If you list miscellaneous variable costs, you must attach a detailed schedule of those costs or they may not be allowed as a deduction.

14. CAPITAL REPAIRS & REPLACEMENTS / WORKOVERS: The capital repairs and replacements section should include only costs associated with replacement of existing assets and workovers. Costs relating to the expansion of your operations are not allowed. Attach a schedule describing each cost.

15. OWNER OF GAS/OIL GATHERING SYSTEM SERVICING THIS PROPERTY: Enter the name of owner of gas/oil gathering system servicing this property.

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

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-31OGP Oil & Gas Income 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>