
BEFORE THE UTAH STATE TAX COMMISSION

ELK OPERATING SERVICES, LLC,

Petitioner,

v.

SAN JUAN COUNTY,

Cross Appellant,

v.

PROPERTY TAX DIVISION OF THE
UTAH STATE TAX COMMISSION,

Respondent.

ORDER OF APPROVAL

Appeal No. 20-1423

Account No: 14584239-002-PCA

Tax Type: Property Tax/Centrally Assessed

Tax Year: 2020

Judge: Jensen

STATEMENT OF THE CASE

This matter came before the Utah State Tax Commission on Petitioner's appeal of the property tax assessment on the subject property. Petitioner and Respondent have agreed that an adjustment to Respondent's initial valuation from \$107,909,198 to \$87,992,858 for the 2020 tax year is necessary.

San Juan County, the affected county and Cross Appellant, had standing to object to the assessment of the subject property pursuant to Utah Code Ann. §59-2-1007 and exercised that standing to object by filing as a Cross Appellant to this action. However, the Cross Appellant joined in this settlement.

ORDER

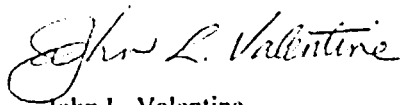
Based on the foregoing, the Utah State Tax Commission finds the market value of the subject property for the tax year 2020 is \$87,992,858.

Appeal No. 20-1423

The Property Tax Division has calculated final adjustments to the values apportioned to each affected tax district resulting from this order. The attached copy of that information is made part of this order by this reference. County officials are to use the information provided to adjust their tax rolls in accordance with the revised assessment and to calculate refunds as appropriate.

BY ORDER OF THE COMMISSION:

DATED this 18th day of January, 2022.



John L. Valentine
Commission Chair

EXCUSED

Rebecca L. Rockwell
Commissioner



Michael J. Cragin
Commissioner



Jennifer N. Fresques
Commissioner

NOTICE: An order approving a stipulated agreement constitutes final agency action subject to judicial review pursuant to Utah Code Ann. §§59-1-601 and 63-46b-13 et.seq. Any action to enforce the agreement may be brought pursuant to Utah Code Ann. §63-46b-19.

JOSHUA R. NELSON #16528
LARON J. LIND #8334
Assistant Attorneys General
SEAN D. REYES #7969
Utah Attorney General
160 East 300 South, Fifth Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
Email: joshuanelson@agutah.gov
llind@agutah.gov

Attorneys for Property Tax Division of the Utah State Tax Commission

BEFORE THE UTAH STATE TAX COMMISSION

ELK OPERATING SERVICES LLC,

Petitioner,

vs.

PROPERTY TAX DIVISION OF THE
UTAH STATE TAX COMMISSION,

Respondent.

SETTLEMENT STIPULATION

Appeal No. 20-1423

Account No. 14584239-002-PCA

Tax Type: Centrally Assessed Property

1. This Stipulation is entered into by and between the Property Tax Division of the Utah State Tax Commission (the "Division") and Elk Operating Services, LLC ("Elk Operating").

2. The parties have discussed and considered their respective positions concerning the assessed values determined by the Division for the related tax years and recognize the considerable costs and risks inherent in the potential litigation of these matters.

3. The parties mutually desire to avoid these costs and risks and fully settle and resolve Elk Operating's appeal for the property tax year in question without further litigation, in a fair, reasonable and economic fashion.

4. The parties agree to resolve and settle the above-captioned appeal by stipulating to the following "Stipulated Taxable Value" for the property tax year in question:

| <u>Tax Year</u> | <u>Original Assessment</u> | <u>Stipulated Taxable Value</u> |
|-----------------|----------------------------|---------------------------------|
| 2020 | \$107,909,198 | \$87,992,858 |

5. The parties further stipulate that the amounts identified as "Stipulated Taxable Value" reflect the parties' reasonable approximation of the fair market value of Elk Operating's taxable property under Utah law for the property tax year at issue.

6. The Division made two separate clerical errors in the initial assessment of Elk Operating. Elk Operating provided information regarding their shrinkage of nearly 100% of their natural gas production. This shrinkage information was not used in the original value calculation by the Division. Elk Operating also provided an updated Indian Revenue Interest, which was greater than the previous year. This update was not entered in the original assessment.

7. The appraisal methods applied in this stipulation pertain to the lien dates listed above only and the use of such methods cannot be used as evidence or as an admission against any party in another lien date or matter.

8. The parties understand that this Stipulation is subject to approval by the Utah State Tax Commission and shall become final and conclusive between the parties upon approval by the Utah State Tax Commission, as evidenced by a written order executed by the Tax Commissioners.

9. Should the Tax Commission decline to approve this Stipulation, it shall be null and void and shall not be admissible as evidence against any party in any future proceedings.

10. The parties further stipulate that Elk Operating's above-captioned Utah property tax appeal shall be dismissed when the Tax Commission's Order of Approval becomes final.

STIPULATED this 4th day of October, 2021 by:

ELK OPERATING SERVICES, LLC

PROPERTY TAX DIVISION

*/s/ Damien Larson *with permission*
Damien Larson
Representative
Elk Operating Services, LLC

/s/ Laron J. Lind
Laron Lind
Joshua R. Nelson
Assistant Utah Attorneys General
Attorneys for the Property Tax
Division

SAN JUAN COUNTY

*/s/ Thomas W. Peters *with permission*
Thomas W. Peters
Peters | Scofield
Attorneys for San Juan County



Utah State Tax Commission
Property Tax Division - Centrally Assessed
2020 Revised Notice of Valuation
County Breakout Report

Taxpayer: ELK OPERATING SERVICES LLC

Taxpayer Number: 14584239-002-PCA

Appeal Number: 20-1423

Industry: Oil & Gas Production

| County | Tax Area | Original Valuation | Revised Valuation | Change in Valuation |
|------------------------------|----------|----------------------|---------------------|----------------------|
| San Juan | | | | |
| | 001-0000 | \$107,909,198 | \$87,992,858 | -\$19,916,340 |
| San Juan County Total | | \$107,909,198 | \$87,992,858 | -\$19,916,340 |
| TOTAL VALUE | | \$107,909,198 | \$87,992,858 | -\$19,916,340 |

USTC – Appeal
Certificate of Mailing
Utah State Tax Commission

**Elk Operating Services, LLC (Petitioner) vs Property Tax Division
(Respondent)**

20-1423

Property Tax Division
Sent via email

Respondent

San Juan County Auditor
P.O. Box 338
Monticello, UT 84535

Affected County

Laron Lind
Sent via email

Attorney for Respondent

Joshua Nelson
Sent via email

Attorney for Respondent

Thomas Peters
7430 Creek Road #303
Sandy, UT 84093

Attorney for Affected County(s)

Elk Operating Services, LLC
Monica Brisnehan
1700 Lincoln Ste 2550
Denver, CO 80203

Petitioner

Damien Larson
PO Box 968
Katy, TX 77492

Representative

****** CERTIFICATION ******

I certify on this date I mailed a copy of the foregoing document addressed to each of the above named parties.

1/18/2022
Date

Jeanell Collings
Signature