

Severance Tax

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Severance Tax

Persons Responsible for Remittance of Tax

All taxes on the gross production shall be remitted by the operator except as stated below.

All taxes on the gross product attributable to any interest owner electing to take in-kind shall be remitted by the interest owner or on behalf of the interest owner by the operator.

An election for operator reporting and remittance of severance tax shall be allowed if, on or before January 1st of the production year in which operator reporting shall commence, the take-in-kind interest owner notifies the operator and the Mineral Tax Division in writing of the intent to have the operator report and remit on behalf of the take in-kind interest owner. Refer to Department of Revenue Rules: Chapter 6, Section 6.

The operator or other entity reporting and remitting the interest owner's gross product (ad valorem) tax must also report and remit severance taxes.

Filing Deadline

The Severance Tax report and payment for monthly filers must be postmarked on or before the 25th day of the second month following the month of production. For example:

Production Month – January 2010
Report Due Date - March 25, 2010

The Severance Tax report and payment for 2009 production for annual filers must be postmarked on or before February 25, 2010.

Assistance

Severance Tax reporting assistance can be obtained by phoning Billie Lundberg, (307) 777-5210.

Severance Tax

Monthly Reporting vs. Yearly Reporting

If a taxpayer's liability for severance tax is less than Thirty thousand dollars (\$30,000) for the preceding calendar year, monthly reporting and payment requirements are waived and the taxpayer shall report and pay the tax annually.

If a taxpayer who reports and pays annually accumulates an annual liability exceeding thirty thousand dollars (\$30,000), that taxpayer shall commence reporting monthly and remitting tax payments during the production year following the year in which the accumulated tax liability exceeded thirty thousand dollars (\$30,000).

It is the taxpayer's responsibility to notify the department concerning the change from annual to monthly reporting and payment requirements (over \$30,000 during the preceding calendar year) or from monthly to annual reporting and payment requirements (under \$30,000 during the preceding calendar year).

Unless otherwise noted, the total year for annual filers will be reported as the December production period.

Mailing Address

Wyoming Department of Revenue
Mineral Tax Division
Herschler Building 2-W
122 West 25th Street
Cheyenne, WY 82002-0110

Severance Tax

SEVERANCE TAX REPORTING FORMS

Form Number	Form Description
2000	Severance Tax Report - Oil
2002	Severance Tax Schedule - Oil Well Incentive Reporting
3000	Severance Tax Report - Gas
3002	Severance Tax Schedule - Gas Well Incentive Reporting

Filing

A severance filing consists of two components, liability and payment. A filing is complete when the liability is posted and when payment has been applied to the liability.

Filing Date

The filing date is the later of the postmark date of the form or the postmark date of the payment applied to the form. For electronic filers the postmark date of the form is the successful file transfer date. For ACH Debit payers the postmark date of the payment is the successful payment effective date.

Delinquent Filing

If a filing date is after the due date a penalty of five (5) percent of the taxes due will be imposed for each thirty (30) day period, or fraction thereof, elapsing between the due date of the filing and the filing date. In no event shall the total penalty imposed exceed twenty-five (25) percent of the tax due.

In addition, interest at the annual rate of the average prime interest rate, as determined by the state treasurer, plus four percent will be added to delinquent severance taxes.

Filing Conventions

Type or print legibly. The reports will be returned and may be subject to penalty if the information cannot be easily deciphered.

Send originals to the Mineral Tax Division. Make copies for your files.

Filings are sworn documents and cannot be faxed.

All Volumes and dollars, except tax due, must be rounded to the nearest whole number. Tax due must be reported and payment remitted to the cent.

Returns must be filed by the due date. If the due date falls on a Saturday, Sunday or Holiday the returns must be filed by the following workday.

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Form 2000 - SEVERANCE TAX REPORT OIL

Form 3000 - SEVERANCE TAX REPORT GAS

The Form 2000 is to be used for reporting oil and lease condensate (liquids from gas separated at the lease). The Form 3000 is to be used for reporting gas and plant products including plant condensate.

OPERATOR ID- Enter your Taxpayer Identification Number, also known as the Operator Code number by the Wyoming Oil and Gas Conservation Commission (WOGCC). This is a four-digit number assigned by the WOGCC and is used to report your monthly production to the WOGCC on their form 2. If you are unsure of your operator code number, contact the Mineral Tax Division.

Take in-Kind Working Interest Owners reporting on their own behalf, and who are not Operators in the State of Wyoming, will be assigned a Taxpayer ID number by the Mineral Tax Division.

FORM TYPE - Enter "O" for original filings or "A" for amended filings. When filing on paper, originals and amendments must be on separate forms.

TAXPAYER NAME - Taxpayer's Name. Do not put the tax agent.

CONTACT NAME - Enter the name of a person that can answer questions about this form.

CONTACT PHONE NUMBER - Enter the contact person's phone number.

PRODUCTION PERIOD - Enter the month and year in this format: **mmyyyy**.

If you qualify to file annually, report production period as December and Year in this format: **12YYYY**.

REPORTING GROUP NUMBER - Enter the five (5) digits Reporting Group Number assigned by the Mineral Tax Division for reporting one or more wells. If you have any questions about the Reporting Group Number, please call Kendra Yurek at (307) 777-7976.

Always check your Reporting Group numbers. It is essential that they be correct. Watch for transpositions and incorrect digits.

A reporting group number can only be reported once per return for the same filing period and rate code.

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RATE CODE - Enter the appropriate rate code from the list below.

"Stripper Production" - means the production from a property or lease whose average daily production of crude petroleum from wells reported as **oil wells** to the Wyoming Oil and Gas Conservation Commission did not exceed ten (10) barrels per day per well during the preceding calendar year. Stripper production can also mean production from wells that produce between ten (10) and fifteen (15) barrels per day if the average price is less than twenty dollars (\$20.00) per barrel for the calendar year.

Rate Codes to be used for filing severance tax.

Severance Rate Code Table for Oil

Rate Code	Mineral	Rate Type*	Description	Severance Tax Rate
BAS	Oil	Group	No Incentives (base rate)	6.00%
S10	Oil	Group	Stripper less than 10 barrels per day	4.00%
S15	Oil	Group	Stripper between 10 bbls and 15 bbls per day	4.00%
TER	Oil	Group	Tertiary Unit (expired 3/31/2003)	4.00%
TE2	Oil	Group	Tertiary Unit (approved after 3/31/2003 and before 3/31/2008)	4.00%
LCD	Oil	Group	Lease Condensate	6.00%
WRK	Oil	Well	Workover – Incremental - (expired 3/31/2001)	2.00%
REC	Oil	Well	Recompletion – Incremental - (expired 3/31/2001)	2.00%
NEW	Oil	Well	New Well - (expired 3/31/2003)	2.00%
REN	Oil	Well	Renewed Production	1.50%

***NOTE: Reporting Groups containing wells that qualify for well incentives, Rate Type “Well”, must complete and attach Form 2002, Severance Tax Schedule, for production periods after 12/31/1999.**

Severance Rate Code Table for Gas

Rate Code	Mineral	Rate Type*	Description	Severance Tax Rate
BAS	Gas	Group	No Incentives (base rate)	6.00%
WRK	Gas	Well	Workover – Incremental - (expired 3/31/2001)	2.00%
REC	Gas	Well	Recompletion – Incremental - (expired 3/31/2001)	2.00%
NEW	Gas	Well	New Well – (expired 3/31/2003)	2.00%

***NOTE: Reporting Groups containing wells that qualify for well incentives, Rate Type “Well”, must complete and attach Form 3002, Severance Tax Schedule, for production periods after 12/31/1999.**

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GROSS SALES VOLUME - Operators, enter barrels or MCF sold, after deducting barrels or MCF taken in-kind by interest owners who are reporting on their own behalf. Take in-kind interest owners; enter barrels or MCF taken in-kind.

GROSS SALES VALUE - Enter the gross sales value for the production period. Gross Sales Value includes all revenue relating to the production for the reported period, including tax reimbursements and all other revenue received or credited to all interest owners except those taking in-kind and reporting on their own behalf. The gross sales value must include all Federal, State, or Tribal royalty owners' interest, not taking royalty in-kind.

EXEMPT ROYALTY, PROCESSING and TRANSPORTATION - Enter the value of the Federal, State, or Tribal Royalty exemption, if any plus transportation "to market" costs which occur between the well head and point of sale for which you can produce invoices for verification. A processing deduction is allowed for total allowable processing costs on gas processing.

TAXABLE VALUE - Enter the Gross Sales Value minus Exempt Royalty, Transportation and the allowable processing deductions for gas processing.

TOTAL TAX DUE - Equals taxable value times the applicable tax rate, per the Rate Code Table.

PAGE TOTAL - Enter the Sum of the Tax Due Column on this Form 2000. Note: this is an optional field for taxpayer use and is not entered into the MTS II System by the Mineral Tax Division. **When you are completing an amended report (Form Type = A) the Total Tax Due will not reflect previous tax applied to your account. Be sure to account for tax previously applied to your account, prior to remitting the current payment.**

NOTE - Amended filings are to be 'replacement' filings and not 'net change' filings.

All forms must be signed and dated originals.

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Form 2002 - SEVERANCE TAX SCHEDULE

Form 3002 - SEVERANCE TAX SCHEDULE

All Reporting Groups for filing periods after December 31, 1999, that contain well incentive wells (*Rate Code Table, Rate Type = Well*) must file a Form 2002 for oil or a Form 3002 for gas in addition to the Form 2000 or Form 3000. Severance Tax Well Incentives must be itemized on these schedules

Each incentive well in a reporting group must be itemized on a separate line.

Group incentives, (*Rate Code Table, Rate Type = Group*), are not reported on Form 2002 and Form 3002.

Report all volumes and values rounded to the nearest whole number.

OPERATOR ID - Enter your Taxpayer Identification Number, also known as the Operator Code number by the Wyoming Oil and Gas Conservation Commission (WOGCC). This is a four-digit number assigned by the WOGCC and is used to report your monthly production to the WOGCC on their form 2. If you are unsure of your operator code number, contact the Mineral Tax Division.

TAXPAYER'S NAME – Taxpayer Company name. Not a tax agent.

PRODUCTION PERIOD - Month and year (mmyyyy) if you qualify as an annual filer, report production for the entire year as December (12yyyy).

REPORTING GROUP NUMBER - the 5 digit Reporting Group Number, assigned by the Mineral Tax Division, that the well is registered to.

RATE CODE - Enter the proper rate code identifier for the well.

Severance Rate Code Table for Oil Schedule, Form 2002

Rate Code	Mineral	Rate Type	Description
NEW	Oil	Well	New Well
REN	Oil	Well	Renewed Production

Severance Rate Code Table for Gas Schedule, Form 3002

Rate Code	Mineral	Rate Type	Description
NEW	Gas	Well	New Well

API NUMBER - The complete API Number, as assigned by the Wyoming Oil and Gas Conservation Commission, for the qualifying well. The API Number consists of County

Severance Tax

Number, Well Number, Side Track Number, and Reservoir Number as in the following example:

County	Well	Side Track	Reservoir
45	22342	00	141

The complete API Number can only be reported once per return for the same filing period and rate code.

GROSS SALES VOLUME - Operators, enter barrels sold for each well, after deducting barrels taken in-kind by interest owners who are reporting on their own behalf. Take in-kind interest owners; enter barrels taken in-kind for each well. The gross sales volumes for all wells for a specific reporting period for a specific reporting group and rate code on the Form 2002 or Form 3002 must equal the gross sales volume for that rate code for that reporting group for that specific filing period on the Form 2000 or Form 3000. For example, if the Form 2000 for reporting group number 50001 reports a 'NEW' rate code gross sales volume of 100 barrels for January, 2001, and reporting group number 50001 has 2 wells that have active 'NEW' rate codes; then the sum of the gross sales volumes for the 2 wells on the Form 2002 must equal 100 barrels.

GROSS SALES VALUE - Enter the gross sales value for the well for the production period. Gross Sales Value includes all revenue relating to the production for the reported period, including tax reimbursements and all other revenue received or credited to all interest owners not taking in-kind and reporting on their own behalf, and including all Federal, State, or Tribal royalty owner's interest. The gross sales values for all wells for a specific reporting period for a specific reporting group and rate code on the Form 2002 or Form 3002 must equal the gross sales value for that rate code for that reporting group for that specific filing period on the Form 2000 or Form 3000. For example, if the Form 2000 for reporting group number 50001 reports a 'NEW' rate code gross sales value of \$30,000, for January, 2001, and reporting group number 50001 has 2 wells that have active 'NEW' rate codes; then the sum of the gross sales values for the 2 wells on the Form 2002 must equal \$30,000.

TAXABLE VALUE - Enter the Taxable Value for the well for the production period. The taxable values for all wells for a specific reporting period for a specific reporting group and Rate Code on the Form 2002 or Form 3002 must equal the taxable value for that Rate Code for that Reporting Group for that specific filing period on the Form 2000 or Form 3000. For example, if the Form 2000 for reporting group number 50001 reports a 'NEW' rate code taxable value of \$25,000 for January, 2001, and reporting group number 50001 has 2 wells that have active 'NEW' rate codes; then the sum of the taxable values for the 2 wells on the Form 2002 must equal \$25,000.

All forms must be signed and dated originals.

Severance Tax Incentives – Wyoming uses certain severance tax incentives designed to encourage exploration and assist in the continued production of marginal properties.

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Stripper 10 (rate code S10; rate type = Group; tax rate 4%): production from a property whose average daily production of crude oil from wells classified as oil wells by the Wyoming Oil and Gas Conservation Commission does not exceed 10 barrels per day per qualifying well when the average price received by the producer is \$20 or more per barrel.

Stripper 15 (rate code S15; rate type = Group; tax rate 4%): production as identified in Stripper 10 except the tax incentive allows 15 barrels per day per qualifying well when the price received by the producer is less than \$20 per barrel.

Tertiary Unit (rate code TER; rate type =Group; tax rate 4%): incremental oil production from projects certified by the Wyoming Oil and Gas Conservation Commission before March 31, 2003, receives the reduced rate for a period of 5 years from the date of first tertiary production. A taxpayer claiming this incentive is prohibited from also claiming the New Well, Workover, or Recompletion incentives.

Tertiary Unit (rate code TE2; rate type = Group; tax rate 4%): incremental oil production from projects certified by the Wyoming Oil and Gas Conservation Commission after March 31, 2003, and before March 31, 2008, receives the reduced rate for a period of 5 years from the date of first tertiary production provided no exemption shall be allowed in those months when the price received by the producer for the tertiary production equals or exceeds \$27.50 per barrel. A taxpayer claiming this incentive is prohibited from also claiming the new well, Workover, or Recompletion incentives.

New Well (rate code NEW; rate type = Well; tax rate 2%): oil or gas production from wells drilled between July 1, 1993, and March 31, 2003, and certified by the Wyoming Oil and Gas Conservation Commission. The well receives the incentive for the first 24 months of production on oil for the first 60 barrels per day and on gas for the first 360 MCF per day. The incentive expires before the first 24 months if the price received by the producer exceeds \$22 per barrel or \$2.75 per MCF for a consecutive 6-month period. The new well incentive is not available for any gas produced from a well completed for production at a depth of less than 2,000 feet if drilling activities commenced on or after April 1, 2000.

Workover (rate code WRK; rate type = Well; tax rate 2%): incremental oil or gas production from a well certified as a Workover by the Wyoming Oil and Gas Conservation Commission. The incentive exists for 24 months immediately following the Workover. The Incentive is not available on Workovers completed after March 31, 2001.

Recompletion (rate code REC; rate type = Well; tax rate 2%): incremental oil or gas production from a well certified as a Recompletion by the Wyoming Oil and Gas Conservation Commission. The incentive exists for 24 months immediately following the Recompletion. The Incentive is not available on recompletions completed after March 31, 2001.

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Renewed Production (rate code REN; rate type = Well; tax rate 1.5%): crude oil produced from a well that previously produced but had no production for at least two consecutive years prior to January 1, 1995. The incentive exists for 60 months of renewed production or until the average price received by the producer is equal to or exceeds \$25 per barrel for a consecutive 6-month period. Contact the Mineral Tax Division if you feel a well may qualify for the Renewed Production incentive.

Notes on Strike Prices: The New Well and Renewed Production Incentives listed above contain consecutive month price provisions that expire the incentive before the standard expiration period of the incentive. If you have reached incentive expiration due to price, please notify the Mineral Tax Division that you will no longer report that incentive. This enables the Mineral Tax Division to ensure that the incentive does not appear on your Unreported Properties List after you stop reporting the incentive.

When an incentive, other than the Tertiary Unit Incentive, has expired due to price, a subsequent drop in price does not reactivate the incentive.

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State of Wyoming Department of Revenue 122 West 25th Street Cheyenne WY 82002-0110	<h2 style="margin: 0;">SEVERANCE TAX REPORT</h2> <h3 style="margin: 0;">OIL</h3>	2000
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Operator ID:	1234	DEPARTMENT OF REVENUE USE ONLY:	
Form Type:	O	O - Original A - Amended	Taxpayer Name: Oil & Gas Company
Contact Name:	P. Doe		Contact Phone Number: (307) 777-5555

	PRODUCTION PERIOD (mmyyyy)	REPORTING GROUP NUMBER	RATE CODE	GROSS SALES VOLUME	GROSS SALES VALUE	EXEMPT ROYALTY AND TRANSPORTATION	TAXABLE VALUE	TOTAL TAX DUE
1	012005	00247	BAS	1,077	35,541	4,443	31,098	1,865.88
2	012005	00249	BAS	10,000	300,000	37,500	262,500	15,750.00
3	012005	04955	S10	500	15,594	0	15,594	623.76
4	012005	05563	BAS	3,000	105,000	0	105,000	6,300.00
5	012005	05563	NEW	2,000	70,000	0	70,000	1,400.00
6								
7								
8								
9								
10								
11								
12								

NOTE: For amended returns (Form Type 'A') report REPLACEMENT VALUES ONLY.

NOTE: A change in Rate Code requires BOTH an amended report for the originally reported rate code and an original report for the New rate code.

NOTE: For amendments Total Tax Due is the replacement amount and will not reflect previous tax applied to your account. Be sure to account for tax previously applied to your account prior to remitting the current payment.

REV. 10/8/01 PAGE TOTAL:

I declare under penalty of perjury that I have examined this return and, to the best of my knowledge and belief, it is correct and complete.

P. Doe Authorized Signature	Accountant Title	3/25/05 Date
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Severance Tax

State of Wyoming
 Department of Revenue
 122 West 25th Street
 Cheyenne WY 82002-0110

SEVERANCE TAX SCHEDULE
Oil Well Incentive Reporting

2002



DEPARTMENT OF REVENUE USE ONLY:

Operator ID: **1234** **Taxpayer Name:** **Oil & Gas Company**

	PRODUCTION PERIOD (mmyyyy)	REPORTING GROUP NUMBER	RATE CODE	API NUMBER				GROSS SALES VOLUME	GROSS SALES VALUE	TAXABLE VALUE
				COUNTY NUMBER	WELL NUMBER	SIDETRACK NUMBER	RESERVOIR NUMBER			
1	012005	05563	NEW	037	21115	00	123	1,500	52,500	52,500
2	012005	05563	NEW	037	21116	00	123	500	17,500	17,500
3										
4										
5										
6										
7										
8										
9										
10										
14										

I declare under penalty of perjury that I have examined this return and, to the best of my knowledge and belief, it is correct and complete.

P. Doe

Authorized Signature

Accountant

Title

3/25/05

Date

rev. 10/13/99

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State of Wyoming Department of Revenue 122 West 25th Street Cheyenne WY 82002-0110	<h2 style="margin: 0;">SEVERANCE TAX REPORT</h2> <h3 style="margin: 0;">OIL</h3>	2000
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Operator ID:	1234	DEPARTMENT OF REVENUE USE ONLY:	
Form Type:	A	O - Original A - Amended	Taxpayer Name: Oil & Gas Company
Contact Name:	P. Doe		Contact Phone Number: (307) 777-5555

	PRODUCTION PERIOD (mmyyyy)	REPORTING GROUP NUMBER	RATE CODE	GROSS SALES VOLUME	GROSS SALES VALUE	EXEMPT ROYALTY AND TRANSPORTATION	TAXABLE VALUE	TOTAL TAX DUE
1	012005	05563	BAS	0	0	0	0	0
2	012005	05563	NEW	5,000	175,000	0	175,000	3,500
3								
4	<i>This amendment transfers the BAS line on the original return to NEW. The BAS must be amended to zero. Remember that a transfer from one rate code to another requires amending the original rate code to zero.</i>							
5								
6								
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10								
11								
12								

NOTE: For amended returns (Form Type 'A') report REPLACEMENT VALUES ONLY.

NOTE: A change in Rate Code requires BOTH an amended report for the originally reported rate code and an original report for the New rate code.

NOTE: For amendments Total Tax Due is the replacement amount and will not reflect previous tax applied to your account. Be sure to account for tax previously applied to your account prior to remitting the current payment.

REV. 10/8/01 PAGE TOTAL:

I declare under penalty of perjury that I have examined this return and, to the best of my knowledge and belief, it is correct and complete.

P Doe _____ Authorized Signature	Accountant _____ Title	4/25/05 _____ Date
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Severance Tax

State of Wyoming
 Department of Revenue
 122 West 25th Street
 Cheyenne WY 82002-0110

SEVERANCE TAX SCHEDULE Oil Well Incentive Reporting

2002



DEPARTMENT OF REVENUE USE ONLY:

Operator ID: 1234 **Taxpayer Name:** Oil & Gas Company

	PRODUCTION PERIOD (mmyyyy)	REPORTING GROUP NUMBER	RATE CODE	API NUMBER				GROSS SALES VOLUME	GROSS SALES VALUE	TAXABLE VALUE
				COUNTY NUMBER	WELL NUMBER	SIDETRACK NUMBER	RESERVOIR NUMBER			
1	012005	05563	NEW	037	21115	00	123	1,500	52,500	52,500
2	012005	05563	NEW	037	21116	00	123	500	17,500	17,500
3	012005	05563	NEW	037	21117	00	123	3,000	105,000	105,000
4										
5										
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10										
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12										
13										
14										

I declare under penalty of perjury that I have examined this return and, to the best of my knowledge and belief, it is correct and complete.

P Doe

Authorized Signature

Accountant

Title

4/25/05

Date