Comptroller of Public Accounts FORM 10-171 (Rev.8-15/7)

AMENDMENT

a. 37110

b.

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Amended Natural Gas Tax
-- Purchaser Lease Detail Supplement --

c. Taxpayer number

d. Filing period

NATURAL GAS TAX QUESTION? CALL US 1-800-252-1384

e. Taxpayer name

f.

LOCATOR NUMBER

1. Lease name (as recorded with the Railroad Commission)

2. County of production

3. Commodity *(Use the alpha codes listed in the instructions.)*

4. Commodity code *(Numeric)*

5. Lease type — OIL 1 / GAS 2

6. County code

7. Lease number — Check digit

8. Is Item 7 a drilling permit number — YES 1 / NO 2

9. Exemption type

10. API number

11. Producer's name

12. Producer number

Enter adjusted data in Items 13 - 22.

13. Is tax reimbursement included in calculating the value on this lease? — YES 1 / NO 2

14. Your volume

15. Value of your volume $

16. Are you liable for the tax? — YES 1 / NO 2

17. Governmental royalty volume

18. Governmental royalty value $

19. Marketing cost $

20. Net taxable value $

Items 21 and 22 for Exemption Type 05 leases only.

21. Type 05 reduced tax rate

22. Tax due on Type 05 $

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Texas Amended Report of Natural Gas Tax Purchaser Lease Detail Supplement

For assistance call 1-800-252-1384. Information is also available online at www.comptroller.texas.gov. Also, see the Natural Gas Tax Guide for thorough information.

General Information

The net adjustment process must be used when amending previously reported data. When amending previously reported data, enter:

- lease information in Items 1 through 13, and
- volumes and values as negative figures to delete data previously reported in Items 14 through 22, except Items 16 and 21. Enter a dash in the beginning of a number to denote a negative sign.

To report new lease information in Items 1 through 13 including "exemption type" in Item 9 and "API number" (in Item 10, if applicable), enter the correct volumes and values.

Specific Instructions

Volumes: Report all gas volumes in "MCF" (1000 cubic feet at a pressure of 14.4 pounds plus 4 ounces or 14.65 pounds absolute). For information on converting MCF to MMBTU or converting MMBTU to MCF, see the Natural Gas Tax Guide on the Comptroller's website. Do not report any volume amounts with decimals. Round the volume amount to the next whole number.

Items 1, 2, 5, 7 and 8.

- Enter the lease identification number assigned by the Texas Railroad Commission (RRC) in Item 7. For a gas lease, enter the 6-digit lease number. For an oil lease, add a leading zero (0) to the 5-digit lease number and enter as a 6-digit number. If the RRC has not assigned a lease number, then enter the 6-digit drilling permit number in Item 7.
- Items 7 and 8: Do not leave blank.
- If reporting a plant, then enter R3 and the last four digits of the plant identification number assigned by the RRC in Item 7.

Item 3. **Commodity**: Enter the 2-digit alpha code for the type of commodity reported on the lease identified in Item 7.

- **Raw Gas (RG)** - Sale or purchase of raw gas, unprocessed gas from an oil well or gas well gas.
- **Condensate (CN)** - The taxable disposition and production of all condensate from a gas well, actual or theoretical. Condensate is the liquid hydrocarbon (a high gravity oil) that is or can be, removed from gas by a separator. It does not include absorption and separation by a fractionating process. Condensate volume should be rounded to the nearest barrel.
- **Residue (RS)** - Residue gas sold or purchased only when there is a distinct sale or purchase of residue gas. Example: If a processing plant takes title to both the products and residue commodities, do not report the products and residue commodities as separate items.
- **Products (PR)** - Report only when the purchasers of products and residue commodities are different parties. The volume associated with the product commodity will be the raw gas volume delivered to the gas processing plant (plant inlet volume).

Item 4. **Commodity Code**: Enter the numeric code for the type of commodity reported on the lease identified in Item 1 and Item 7. The numeric codes are: **1** - Raw Gas, **4** - Condensate, **5** - Residue, **6** - Products.

Item 6. **County Code**: Enter the 3-digit county code for the county of production indicated in Item 2. A list of county codes is available on the Comptroller's website at www.comptroller.texas.gov/taxinfo/taxforms/10-codes.html or on the Natural Gas Tax Guide.
Check Digit: Enter the check digit in the box to the right. The check digit is available at https://ecpa.cpa.state.tx.us/cong/checkDigitForward.do.

Item 9. **Exemption Type**: Enter the Comptroller approved numeric code for the legislative exemption type, if applicable.

Code	Description of Approved Exemption Type	Code	Description of Approved Exemption Type
03	Two-year inactive well, effective Sept. 1, 1997	**09**	Incremental production casinghead gas lease, effective Sept. 1, 1997
04	Flared/released casinghead gas well, effective Sept. 1, 1997	**11**	Qualifying low-producing gas well, effective Sept. 1, 2005
05	High cost gas lease with reduced tax rate, effective Sept. 1, 1996	**12**	Reactivated orphaned well, effective Jan. 1, 2006
07	Three-year inactive well, effective Sept. 1, 1991	**15**	Geothermal energy, effective Sept. 1, 2009

Item 10. **API Number**: Enter the last 8 digits of the America Petroleum Institute (API) number assigned by the RRC to each well that qualifies for a well-level exemption. The API number is only required for the two-year inactive lease exemption (Type 3), three-year inactive well exemption (Type 7), and reactivated orphaned well exemption (Type 12).

Items 11 and 12. Enter the name of your producer in Item 11 and their 11-digit Texas taxpayer number in Item 12.

Item 13. **Tax Reimbursement**: Mark the block indicating whether tax reimbursement is included in calculating the value in Item 15, as outlined in your contract. For information on tax reimbursement, see Tax Rule 3.18, at www.comptroller.texas.gov.

Item 14. **Your Volume**: Enter the total volume of gas or condensate purchased. Do not use decimals.

Item 15. **Value of Your Volume**: Enter the entire value associated with the volume indicated in Item 14. This is usually referred to as the "contract price." Do not include tax reimbursement, if applicable. Round all volumes up to the nearest whole number.

Item 16. **Are You Liable for Tax?**: Enter "YES" or "NO" for all lease types, even if you do not owe tax. Do not leave blank. Tax liability must be reported as "YES" by at least one party as stated in the contract between the operator and the purchaser, even if the lease qualifies for 100% exemption and taxes are not due because of the legislative exemption status.

Item 17. **Governmental Royalty Volume**: Enter the volume of gas not subject to tax due to governmental exempt status, such as a city, town or county government in Texas, a school district in Texas, public (state owned) colleges and universities in Texas or political subdivisions of the Federal government. See Rule 3.14.

Item 18. **Governmental Royalty Value**: Enter the value of the volume for the gas reported in Item 17. Do not enter volumes associated with lease types approved for a legislative tax exemption.

Item 19. **Marketing Cost**: Enter actual marketing cost incurred. The "market value at the mouth of the well" shall be determined by ascertaining the actual marketing costs incurred by the producer and subtracting these costs from the producer's gross cash receipts from the sale of the gas. For detailed information on allowable marketing costs, visit www.comptroller.texas.gov.

Item 20. **Net Taxable Value**: Enter the calculation of Item 15 less Items 18 and 19. If Items 18 and 19 exceed Item 20, enter the net taxable value as zero in Item 20. If reporting the following exemption types, then enter net taxable values indicated below:

Exempt Type		Enter the net taxable value as:
03, 04, 07, 12 or 15		zero
	05	the sum of Item 15 less Items 18 and 19 and proceed to Items 21 and 22
	09	50% of the sum of Item 15 less Items 18 and 19
for 25% exemption	**11**	75% of the sum of Item 15 less Items 18 and 19 if the Comptroller certified price of gas ranges from $3.01 to $3.50/MCF
for 50% exemption	**11**	50% of the sum of Item 15 less Items 18 and 19 if the Comptroller certified price of gas ranges from $2.51 to $3.00/MCF
for 100% exemption	**11**	zero if the Comptroller certified price of gas is less than or equal to $2.50/MCF

Item 21. **Reduced Tax Rate for Type 05**: Enter the 3-digit reduced tax rate for the approved exemption Type 5 lease indicated in Item 7.

Item 22. **Tax Due on Type 05**: Enter the tax due amount for the approved exemption Type 5 lease reported by multiplying Item 20 by the tax rate indicated in Item 21.

You have certain rights *under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone numbers listed on this form.*