



## Instructions for Completing Texas Crude Oil Tax - Producer Special Report and Producer Special Lease Detail Supplement

**GLENN HEGAR**

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

For assistance, call 800-252-1384. Forms, administrative rules, and additional information are available online at [www.comptroller.texas.gov/taxes/crude-oil/](http://www.comptroller.texas.gov/taxes/crude-oil/).

**Who Must File** – Crude oil producers, operators, or non-operating working interest owners who normally are not required to file and pay taxes for production after the oil is produced and measured must file this report when they determined that the production was not reported and taxes were not paid for specific production months and leases. Examples for filing this report for one month or a few months are:

- when crude oil production must be reported and taxes paid for oil that was used, stolen, otherwise unaccounted; or
- when a producer or non-operating working interest owner is in agreement with a purchaser by which the producer or non-operating working interest owner chooses to report and pay taxes for specific leases and production periods. Failure to file this report and pay taxes may result in collection actions.

All crude oil extracted from the earth is taxable. As shown below, report the different types of disposition volumes of crude oil in the field titled, "Gross Barrels" (Item 15 of the Producer Lease Detail Supplement Report) and pay the tax due based on the reported volume.

- For crude oil sold, report the volume of the purchaser's gross take, which includes temperature corrections less the volume of basic sediment and water.
- For crude oil produced and not sold in the same month, report the volume of unsold crude oil based on the price of oil applicable for that month.
- Report the volume of crude oil used, lost, stolen, or otherwise unaccounted for after the oil is produced and measured.

Producers previously granted permission by the Comptroller's office to file this report but are no longer active, blacken the box labeled "FINAL REPORT" and enter the inactive date.

**When To File** – File this report on or before the 25th day of each month. This report must include volumes and values of crude oil sold, or crude oil that was used, stolen, or otherwise unaccounted from the previous production month. If the due date of a report period falls on a Saturday, Sunday or legal holiday, the next business day is the due date.

**Example:** Crude oil produced during the month of July must be reported by August 25th.

### General Information

- Do not report corrections to previous report periods on this report. You must use the "Amended Crude Oil Tax – Producer Special Report" (Form 10-174) to correct previously reported data or to report items omitted from your original producer special report.
- Round all barrels in each reported item to the next whole number
- Tow decimals are required on all dollar values. Enter dollars and cents
- Provide your 11-digit taxpayer when corresponding with our office.

**Item 1.** Enter the lease name reported to the Texas Railroad Commission (RRC).  
**Item 2.** Enter the name of the county of production for the lease reported in Items 1 and 5.  
**Item 3.** Enter the name of the purchaser to whom you sold crude oil for the lease reported in Items 1 and 5.

**Item 12.** For the lease reported in Items 1 and 5:  
 • Select "Yes" if you are the physical operator;  
 or  
 • Select "No" if you are a working interest owner.

**Item 4.**  
 • Enter the 3-digit county code assigned by the Comptroller's office for the county of production for the lease reported in Items 1 and 5.  
 • A list of the county codes is available online at [comptroller.texas.gov/taxes/resources/county-codes.php](http://comptroller.texas.gov/taxes/resources/county-codes.php).

**Item 5.**  
 • Enter the 5-digit lease number assigned by RRC and add a leading zero.  
 • Enter the check digit. The lease number check digit is available at <https://mycpa.cpa.state.tx.us/cong/checkDigitForward.do>  
 • If RRC has not assigned a lease number, report the drilling permit number.

**Item 6.**  
 • Select "Yes" if the number reported in Item 5 is a drilling permit number.  
 • Select "No" if the number reported in Item 5 is an RRC lease number.

**Item 7.** Separately enter the applicable "Exempt Type" code (shown below) for each lease number to report an approved legislative tax incentive.

**Item 7a, 7b, 7c.**  
 • Enter the "Exempt Type" code in Item 7a to report one "Exempt Type."  
 • Enter each "Exempt Type" code separately in Items 7a, 7b, and 7c to report more than one "Exempt Type."

**Exempt Type Code**

**03** = Two-Year Inactive Well, effective Sept. 1, 1997  
**05** = Enhanced Oil Recovery Projects, approved after Aug. 31, 1997  
**11** = Qualifying Low-Producing Lease, effective Sept. 1, 2005  
**14** = Enhanced Recovery Project Using Anthropogenic Carbon Dioxide, effective Sept. 1, 2007  
**15** = Geothermal Energy, effective Sept. 1, 2009  
**16** = Two-Year Inactive Well, effective Sept. 1, 2019

**Item 8.** Enter the last 8 digits of the American Petroleum Institute (API) number assigned to a well previously approved as a two-year inactive well (Exempt Type 03 or Type 16). This must be entered or the exemption will be disallowed.

**Item 9.**  
 • Enter the project number assigned by RRC for an approved enhanced oil recovery project (Exempt Type 05) and enhanced oil recovery projects using anthropogenic carbon dioxide (Exempt Type 14).  
 • Enter the project number beginning with an alphabetic character followed by 5 (and up to 8) numbers.  
 • Omission of the project number causes the disallowance of the tax exemption for "Exempt Types" 05 and 14.

**Item 10.**  
 • For expanded enhanced oil recovery projects, if applicable, report the portion applicable to "Incremental" and "Baseline" in two separate transactions.  
 • Mark the "Incremental" block to report the incremental portion in one transaction and enter the applicable volumes and values in Item 11 through Item 22.  
 • Mark the "Baseline" block to report the baseline portion in another transaction and enter the applicable volumes and values in Item 11 through Item 22.

**\*NOTE:** The net taxable value (Item 21) for the baseline portion is not exempt.

Comptroller of Public Accounts FORM 10-165 (Rev. 7-18/7) FFFF  
 a. 48120

**Texas CRUDE OIL Tax Producer SPECIAL Lease Detail Supplement**

e. Taxpayer name \_\_\_\_\_

1. Lease name (as recorded with the Railroad Commission) \_\_\_\_\_  
 2. County of production \_\_\_\_\_  
 3. Purchaser's name \_\_\_\_\_  
 4. County code \_\_\_\_\_  
 5. Lease number \_\_\_\_\_ Check digit \_\_\_\_\_  
 6. Is Item 5 a drilling permit number... YES 1 NO 2  
 7. Exempt types 7a. 7b. 7c. (If applicable)  
 8. API number (If applicable) \_\_\_\_\_  
 9. Project number \_\_\_\_\_  
 10. Incremental exemption (If applicable) Baseline 1 Incremental 2  
 11. Purchaser's taxpayer number \_\_\_\_\_  
 12. Lease operator indicator YES 1 NO 2  
 13. Are you liable for tax? YES 1  
 14. API gravity \_\_\_\_\_  
 15. Gross barrels (Enter whole barrels) \_\_\_\_\_  
 16. Governmental royalty barrels (Enter whole barrels) \_\_\_\_\_  
 17. Taxable barrels (Enter whole barrels) \_\_\_\_\_  
 18. Gross value (Dollars and cents) \$ \_\_\_\_\_  
 19. Governmental royalty value (Dollars and cents) \$ \_\_\_\_\_  
 20. Trucking costs (Dollars and cents) \$ \_\_\_\_\_  
 21. Net taxable value (Dollars and cents) \$ \_\_\_\_\_  
 22. Reduced tax rate for Type 05 and 14 \_\_\_\_\_  
 23. Tax due on Type 05 and 14 \_\_\_\_\_

Instructions on back. Page \_\_\_\_\_ of \_\_\_\_\_  
 b. \_\_\_\_\_  
 c. Taxpayer number \_\_\_\_\_  
 d. Filing period \_\_\_\_\_  
 f. \_\_\_\_\_  
 HP \_\_\_\_\_

**CRUDE OIL TAX QUESTION? CALL US 1-800-252-1334**

Items 22 3 for exempt type 05 and 14 only

**Item 11.** Enter the purchaser's 11-digit taxpayer number assigned by the Comptroller's office for the lease reported in Items 1 and 5. If there is no purchaser, then enter your producer number.

**Item 14.**  
 • Enter the API gravity for the reported lease in Items 1 and 5.  
 • Enter the numeric figure to the tenth degree (xx.x).

**Item 15.** Report the volume of crude oil used, lost, stolen, or otherwise unaccounted for after the oil has been produced and measured.  
 • Round all reported barrels to the next whole number.

**Item 16.**  
 • Enter the total volume of oil not subject to tax because of a governmental exempt status, such as a state-owned royalty.  
 • Round all reported barrels to the next whole number.  
 • Do not include the barrels related to any legislative tax incentive reported in Item 7.  
 • Rule 3.34, titled "Exemption of Certain Royalty Interests from Oil Occupation taxes and Regulation Pipeline Taxes" is available online at [comptroller.texas.gov/taxes/crude-oil/](http://comptroller.texas.gov/taxes/crude-oil/). Select the link titled, "Rules."

**Item 17.** Enter the total of Item 15 (Gross Barrels) minus Item 16 (Governmental Royalty Barrels.)

**Item 18.** Enter the total value of the Gross Barrels reported in Item 15. Enter dollar and cents.

**Item 19.**  
 • Enter the value of oil not subject to tax because of a governmental exempt status, such as a state-owned royalty. Enter dollar and cents.  
 • Do not include the value related to any legislative tax incentive reported in Item 7.  
 • Rule 3.34, titled "Exemption of Certain Royalty Interests from Oil Occupation taxes and Regulation Pipeline Taxes" is available online at [comptroller.texas.gov/taxes/crude-oil/](http://comptroller.texas.gov/taxes/crude-oil/). Select the link titled, "Rules."

**Item 20.** Enter any physical trucking charges incurred by the producer. Enter dollar and cents.

**Item 21.** Enter the total of Item 18 minus Item 19 minus Item 20 in Item 21.

**Item 22.** Enter the reduced tax rate only for:  
 • enhanced oil recovery projects (Exempt Type 05); or  
 • enhanced oil recovery project using anthropogenic carbon dioxide (Exempt Type 14).

**Item 23.** Multiply the Net Taxable Value in Item 21 by the following:  
 • the reduced tax rate for the enhanced oil recovery project (Exempt Type 05) as shown in Item 22 and enter the calculated tax due amount in Line 23; or  
 • the enhanced oil recovery rate using anthropogenic carbon dioxide rate (Exempt Type 14) as shown in Item 22 and enter the calculated tax due amount in Line 23, if applicable.

