

AMENDMENT

a. ■ 49110



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

c. Taxpayer number

d. Filing period



e. Taxpayer name

f.

LOCATOR NUMBER

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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. Is this an off-lease sale? _____ ■ YES 1 NO 2

12. Purchaser's name

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. Is this an off-lease sale? _____ ■ YES 1 NO 2

12. Purchaser's name

13. Purchaser number _____ ■

13. Purchaser number _____ ■

Enter adjusted data in Items 14 - 24.

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14. Total lease volume _____ ■

15. Is tax reimbursement included in calculating the value on this lease? _____ ■ YES 1 NO 2

16. Your volume _____ ■

17. Value of your volume \$ _____ ■

18. Are you liable for the tax? (If "NO," do not complete Items 19-24.) _____ ■ YES 1 NO 2

19. Governmental royalty volume _____ ■

20. Governmental royalty value \$ _____ ■

21. Marketing cost \$ _____ ■

22. Net taxable value \$ _____ ■

14. Total lease volume _____ ■

15. Is tax reimbursement included in calculating the value on this lease? _____ ■ YES 1 NO 2

16. Your volume _____ ■

17. Value of your volume \$ _____ ■

18. Are you liable for the tax? (If "NO," do not complete Items 19-24.) _____ ■ YES 1 NO 2

19. Governmental royalty volume _____ ■

20. Governmental royalty value \$ _____ ■

21. Marketing cost \$ _____ ■

22. Net taxable value \$ _____ ■

Items 23 and 24 for Exemption Type 05 leases only.

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23. Type 05 reduced tax rate _____ ■

24. Tax due on Type 05 \$ _____ ■

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Texas Amended Report of Natural Gas Tax Producer Lease Detail Supplement

For assistance call 800-252-1384. Information is also available online at www.comptroller.texas.gov.

Specific Instructions

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 24, except Items 15, 18 and 23. 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.

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). 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.
- **Lease Use (LU)** -All gas produced and used to run equipment on the lease regardless of whether it is for oil well, gas well gas or residue gas. The lease use item will also include miscellaneous sales of gas to persons not normally engaged in purchasing gas for resale.
- **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. Use the raw gas designation and enter the plant operator as the purchaser.
- **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, **3** - Lease use, **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/taxes/resources/county-rrc-codes.php.

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	11	Qualifying low-producing gas well, effective Sept. 1, 2005
04	Flared/released casinghead gas well, effective Sept. 1, 1997	12	Reactivated orphaned well, effective Jan. 1, 2006
05	High cost gas lease with reduced tax rate effective, Sept. 1, 1996	15	Geothermal energy, effective Sept. 1, 2009
07	Three-year inactive well, effective Sept. 1, 1991	16	Two-Year Inactive Well, effective Sept. 1, 2019
09	Incremental production casinghead gas lease, effective Sept. 1, 1997		

Item 10. API Number: Enter the last eight 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, effective September 1, 1997 (Type 3), three-year inactive well exemption (Type 7) , reactivated orphaned well exemption (Type 12) and two-year inactive well, effective September 1, 2019 (Type 16).

Item 11. Off Lease Sale?: Gas is considered an "off lease" sale when delivery of the gas to the purchaser is made away from the lease. If the producer arranges for delivery of gas, then the purchaser records the volume received at the point of delivery. If an "off lease" sale is reported in Item 11 as "YES," then the tax liability must be reported as "YES" in Item 18, the purchaser taxpayer number must be left blank in Item 13, and the next taxable value must be reported in Item 22 and Item 25, if applicable.

Items 12 and 13. Enter the name of your purchaser in Item 12 and their 11-digit Texas taxpayer number in Item 13.

Item 14. Total Lease Volume: Enter 100% of the volume produced for the lease reported in Item 7 for each commodity type. This volume should match the volume reported to the RRC. If you are a non-operator for this lease, report zero volume in Item 14.

Item 15. 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 16. Your Volume: Producer/Operator - Enter the volume of gas or condensate sold, as noted on your contract. Non-Operator/Producer taking their production in-kind must enter your share of the volume of gas or condensate sold, as noted on your contract.

Item 17. Value of Your Volume: Enter the entire value associated with the volume indicated in Item 16. This is usually referred to as the "contract price." Do not include tax reimbursement, if applicable.

Item 18. Are You Liable for Tax?: Enter "YES" or "NO" for all lease types, even if you do not owe tax. 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 19. 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 20. Governmental Royalty Value: Enter the value of the volume for the gas reported in Item 19. Do not enter volumes associated with lease types approved for a legislative tax exemption.

Item 21. 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/taxes/natural-gas/marketing-costs.php.

Item 22. Net Taxable Value: Enter the total of Item 17 minus Items 20 and 21. If Item 22 results in a negative amount, enter zero in Item 22. If reporting an exemption type in Item 9, calculate the net taxable value based on the reported exemption type and enter the result of that amount in Item 22 as indicated below.

If an "Exemption Type" is reported in Item 9 as:	Enter the "Net Taxable Value" in Item 22 as:
03, 04, 07, 12, 15, or 16	Zero.
05	the total of Item 17 minus Items 20 and 21, then proceed to Items 23 and 24.
09	50% of the total of Item 17 minus Items 20 and 21.
11	75% of the total of Item 17 minus Items 20 and 21. (Note: 25% exemption applies when the Comptroller certified price of gas ranges from \$3.01 to \$3.50 per MCF.)
11	50% of the total of Item 17 minus Items 20 and 21. (Note: 50% exemption applies when the Comptroller certified price of gas ranges from \$2.51 to \$3.00 per MCF.)
11	Zero. (Note: 100% exemption applies when the Comptroller certified price of gas is less than or equal to \$2.50 per MCF.)

Item 23. 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 24. Tax Due on Type 05: Enter the tax due amount for the approved exemption Type 5 lease reported by multiplying Item 22 times the tax rate indicated in Item 23.

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.