



a. ■ 37100

b. ■

• See instructions on back.

Page \_\_\_\_\_ of \_\_\_\_\_

## Texas Report of Natural Gas Tax -- Purchaser Lease Detail Supplement --

e. Taxpayer name



d. Filing period

■ 1-800-252-1384

f. \_\_\_\_\_

HP

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 taxpayer number ■

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

If "NO" in Item 16, do not complete Items 17 thru 22.

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. Reduced tax rate for Type 05 ■

22. Tax due on Type 05 \$ ■

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If "NO" in Item 16, do not complete Items 17 thru 22.

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Items 21 and 22 for Exemption Type 05 leases only.

21. Reduced tax rate for Type 05 ■

22. Tax due on Type 05 \$ ■

# Texas Report of Natural Gas Tax Purchaser Lease Detail Supplement

For assistance, call 800-252-1384. Information is also available online at [www.comptroller.texas.gov](http://www.comptroller.texas.gov).

Form 10-161 (Back)(Rev.9-19/8)

## Specific Instructions

- Volumes:** Report all gas volumes in "MCF" (1000 cubic feet at a pressure base 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, **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](http://www.comptroller.texas.gov/taxes/resources/county-rrc-codes.php).
- Check Digit:** If not known, 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.
- |   |   |
|---|---|
| 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 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 well 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 13. Tax Reimbursement:** Mark the block indicating whether tax reimbursement is included in calculating the value in Item 15. For information on tax reimbursement, see Tax Rule 3.18, at [www.comptroller.texas.gov](http://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/taxes/natural-gas/marketing-costs.php](http://www.comptroller.texas.gov/taxes/natural-gas/marketing-costs.php).
- Item 20. Net Taxable Value:** Enter the total of Item 15 minus Items 18 and 19. If Item 20 results in a negative amount, enter zero in Item 20. 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 20 as indicated below.

If an "Exemption Type" is reported in Item 9 as:	Enter the "Net Taxable Value" in Item 20 as:
03, 04, 07, 12, 15, or 16	zero.
05	the total of Item 15 minus Items 18 and 19, then proceed to Items 21 and 22.
09	50% of the total of Item 15 minus Items 18 and 19.
11	75% of the total of Item 15 minus Items 18 and 19. ( <i>Note: 25% exemption applies when the certified price of gas ranges from \$3.01 to \$3.50 per MCF.</i> )
11	50% of the total of Item 15 minus Items 18 and 19. ( <i>Note: 50% exemption applies when the certified price of gas ranges from \$2.51 to \$3.00 per MCF.</i> )
11	zero. ( <i>Note: 100% exemption applies when the certified price of gas is less than or equal to \$2.50 per MCF.</i> )

**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 times the tax rate indicated in Item 21.