State of California

Memorandum

Board of Equalization
County-Assessed Properties Division

To: Mr. Ramon J. Hirsig
Executive Director

Date: August 13, 2010

From: David J. Gau, Deputy Director
Property and Special Taxes Department

Subject: ***Board Meeting, August 2010—Item N—Administrative Session***
Adoption of Property Tax Forms

I am requesting that the attached property tax forms be submitted to the Board for adoption. Government Code section 15606 requires that the Board prescribe and enforce the use of all forms for the assessment of property for taxation. Pursuant to that mandate, staff received input from the California Assessors' Association (CAA) Oil and Gas Ad Hoc Subcommittee, the CAA Forms Subcommittee, the Western States Petroleum Association, and the California Independent Petroleum Association in the development of the attached revised property tax forms.

Staff has reworked the appearance of these forms to conform to agency standards for readability and ease of use and to accommodate posting to the Internet to encourage taxpayers to file electronically. Revisions specific to the forms are shown in brackets following the title of the form.

BOE-566-K, *Oil and Gas Operating Expense Data for 20___*
[Revised to request description of new equipment and structures, maintenance, repair, and overhauls.]

BOE-566-D, *Oil and Dissolved Gas Production Report for 20___*
[Revised to request heat content of produced gas.]

Please place these forms on the Board's August 2010 Administrative Session for approval.

DJG:sk
Attachments
cc: Ms. Diane Olson

Approved:_____
Ramon J. Hirsig, Executive Director

BOARD APPROVED
At the 8/25/2010 Board Meeting

_____
Diane Olson, Chief
Board Proceedings

BOE-566-K (P1) REV. 08 (08-10)

OIL AND GAS OPERATING EXPENSE DATA FOR 20___

Declaration of costs and other related property information as of 12:01 A.M., January 1, 20___. File a separate report for each property.

1. NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

TELEPHONE NUMBER: ( )

OFFICIAL REQUIREMENT

A report submitted on this form is required of you by section 441(d) of the Revenue and Taxation Code. The statement must be completed according to the instructions and filed with the Assessor on or before April 1, 20___. Failure to timely file the statement will compel the Assessor's Office to estimate the value of your property from other information in its possession and add a penalty of 10 percent as required by Revenue and Taxation Code section 463.

2. DESCRIPTION OF THE PROPERTY *(A separate report must be filed for each property)*

FIELD NAME	LEASE NAME AND POOL

RECOVERY
☐ PRIMARY ☐ OTHER. DESCRIBE:

3. PARCEL NUMBER	TAX RATE AREA

4. ZONE OR WELL NUMBER

WELL DATA:					**ASSESSOR'S USE ONLY**
4. NUMBER OF PRODUCING WELLS					
5. AVERAGE TUBING DEPTH, FEET					
6. PRODUCTION					
a. CRUDE OIL (BBLS)					
b. WATER (BBLS)					
c. GAS (MCF)					
FIELD OPERATING EXPENSES:				**TOTAL COST ($)**	
7. LABOR, INCLUDING EMPLOYEE BENEFITS					
8. MATERIALS AND SUPPLIES (EXPENSED ITEMS ONLY)					
9. WELL MAINTENANCE, GENERAL (PULLING, BAILING, ETC.)					
10. CONTRACT WORK AND RENTALS					
11. INSURANCE					
12. UTILITIES					
13. COMPRESSION SERVICES					
14. TRANSPORTATION (EXCEPT CRUDE OIL HAULING)					
15. DEHYDRATION AND WASTE WATER DISPOSAL					
16. ENHANCED RECOVERY COSTS					
	COST	TYPE	BARRELS/MCF		
a. FUEL					
1. PURCHASED					
2. LEASE PRODUCTS					
b. WATER					
c. CHEMICALS					
d. MAINTENANCE AND REPAIRS					
e. PURCHASED STEAM - OFF SITE SOURCE					
TOTAL ENHANCED RECOVERY COSTS $					
17. OVERHEAD (DIRECT-FIELD OR DISTRICT)					
18. OTHER. EXPLAIN FULLY ON ATTACHED SHEET					
19. TOTAL FIELD OPERATING EXPENSES					

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CAPITAL EXPENDITURES

20. NEW WELLS						ASSESSOR'S USE ONLY
WELL NUMBER	WELL TYPE	DATE COMPLETED	DEPTH	COST $		
				TOTAL NEW WELL COST $		

21. REMEDIAL WELL WORK						
WELL NUMBER	WELL TYPE	DATE COMPLETED	DEPTH	COST $		
				TOTAL REMEDIAL WELL WORK COST $		

22. ABANDONMENTS							
WELL NUMBER	WELL TYPE	DATE ABANDONED	DEPTH	COST $	SALVAGE VALUE $		
						TOTAL ABANDONMENT COST (NET) $	

23. SURFACE INVESTMENT				
TYPE	DATE COMPLETED	COST $		
			TOTAL SURFACE INVESTMENT $	

24. WORK IN PROGRESS		
	DESCRIPTION	COST $
FIXED PLANT, EQUIPMENT & OTHER		
WELLS, NON-FIXTURE & FIXTURE		
TOTAL IMPROVEMENT $		
MOVEABLE EQUIPMENT		
25. OTHER *(fully explain on attached sheet)*		
26. TOTAL CAPITAL EXPENDITURES		

27. REMARKS:

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DECLARATION BY ASSESSEE

OWNERSHIP TYPE (☑)

- Proprietorship ☐
- Partnership ☐
- Corporation ☐
- Other _____ ☐

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this property statement, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct, and complete and includes all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this statement at 12:01 a.m. on January 1, 20___.

SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT* ▶		DATE
NAME OF ASSESSEE OR AUTHORIZED AGENT* *(typed or printed)*		TITLE
NAME OF LEGAL ENTITY *(other than DBA) (typed or printed)*		FEDERAL EMPLOYER ID NUMBER
PREPARER'S NAME AND ADDRESS *(typed or printed)*	TELEPHONE NUMBER ( )	TITLE

** Agent: See page 4 for Declaration by Assessee instructions.*

THIS REPORT IS SUBJECT TO AUDIT

INSTRUCTIONS FOR COMPLETING THE OIL AND GAS OPERATING EXPENSE DATA REPORT

Line numbers listed in these instructions refer to identical line numbers printed on the form.

LINE 1. DATE, NAME, MAILING ADDRESS AND PHONE NUMBER

a. At top of form: fill in the year of the lien date for which this expense report is made.

b. NAME OF OPERATOR (PERSON OR CORPORATION)

If the name is preprinted, check the spelling and correct any error. In the case of an individual, enter the last name first, then the first name and middle initial. Partnerships must enter at least two names, showing the last name, first name, and middle initial for each partner. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

c. DBA OR FICTITIOUS NAME

Enter the DBA name under which you are operating in this county below the name of the sole owner, partnership, or corporation.

d. MAILING ADDRESS

Enter the mailing address of the legal entity shown in line 1b above. This may be either a street address or a post office box number. It may differ from the actual location of the property. Include the city, state, and ZIP code.

e. PHONE NUMBER

Enter the phone number where we may contact you or your authorized representative for information regarding the subject property.

LINE 2. DESCRIPTION OF THE PROPERTY

Report each property or parcel on a separate report form. Fill in field name, lease name and pool. Conform to Division of Oil and Gas classification in regard to name of field, pool, and zone. Check whether recovery is primary or other type. If other, describe method [for example, water-flood, steam injection (cyclic or flood), fire flood, etc.].

LINE 3. PARCEL NUMBER

Fill in the parcel number and tax rate area number, if known.

LINE 4. Producing wells reported are those wells which actually contribute to normal lease production on a profitable basis.

LINE 6. Production is to be for the same period as used for the reporting of the expense data on this form.

LINES 7 thru 15. Report direct field operating expenses only. Do not report capitalized items or royalty payments on these lines.

LINE 16. Report costs related to enhanced recovery only on this line. Use line 12 for all utility costs not associated with enhanced recovery operations.

LINES 17 thru 19. Report direct field operating expenses only. Do not report capitalized items or royalty payments on these lines.

LINES 20 and 21. Report the well number, well type (for example, producing, pumping, injection steam, observation, water source), date completed, depth and total cost (tangible and intangible) for each well. Report the summation of the costs for each line. Report on these lines all work that required a Division of Oil and Gas permit.

LINE 22. Report the well number, well type (for example, producing, pumping, injection steam, observation, water source), date abandoned, well depth, total cost, and salvage value for each well abandoned. For the Total Abandonment Cost (Net) entry, report the total cost less any salvage from the wells.

LINE 23. Report amounts capitalized for surface investment (for example, steam generators, buildings, product handling equipment, and vapor recovery systems).

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LINE 24. Report expenditures for projects not yet completed for intended use differentiating moveable equipment, wells, and fixed plant and facilities. Indicate whether the amounts reported are for new equipment or structures, or maintenance, repair, overhauls, etc.

LINE 25. Report all other investment expenditures not listed in lines 20 thru 24.

Crude Hauling. Report expenses on line 18 if oil must be hauled. Fully explain on attached sheet.

Do not include depreciation, depletion, amortization, interest, federal and state income taxes, property taxes, royalty payments, and general office overhead.

DECLARATION BY ASSESSEE

The law requires that this expense data statement, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a corporation, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a partnership, the declaration must be signed by a partner or an authorized employee or agent. In the case of a Limited Liability Company (LLC) the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The Assessor may at any time require a person who signs an expense data statement and who is required to have written authorization to provide proof of authorization.

An expense data statement that is not signed and executed in accordance with the foregoing instructions is not validly filed. The penalty imposed by section 463 of the Revenue and Taxation Code for failure to file is applicable to unsigned expense data statements.

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BOE-566-D (P1) REV. 08 (08-10)

OIL AND DISSOLVED GAS PRODUCTION REPORT FOR 20___

Declaration of costs and other related property information as of 12:01 A.M., January 1, 20___. File a separate report for each property.

1. NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

TELEPHONE NUMBER: ( )

OFFICIAL REQUIREMENT

A report submitted on this form is required of you by section 441(d) of the Revenue and Taxation Code. The statement must be completed according to the instructions and filed with the Assessor on or before April 1, 20___. Failure to timely file the statement will compel the Assessor's Office to estimate the value of your property from other information in its possession and add a penalty of 10 percent as required by Revenue and Taxation Code section 463.

2. DESCRIPTION OF THE PROPERTY *(A separate report must be filed for each property)*

FIELD NAME	LEASE NAME AND POOL

RECOVERY
☐ PRIMARY ☐ OTHER. DESCRIBE:

3. PARCEL NUMBER	TAX RATE AREA

4. ZONE OR WELL NUMBER

CALENDAR YEAR 2010	PRODUCTION DATA					INJECTION DATA			
	NUMBER PRODUCING		OIL	WATER	GAS	NUMBER INJECTION		STEAM	WATER (EXCLUDE DISPOSAL)
	WELLS	DAYS				WELLS	DAYS		
5. JANUARY									
FEBRUARY									
MARCH									
APRIL									
MAY									
JUNE									
JULY									
AUGUST									
SEPTEMBER									
OCTOBER									
NOVEMBER									
DECEMBER									
6. JUL-DEC TOTAL									
7. YEAR'S TOTAL									

(use separate sheets as needed for the following)

8. DEPTH TO ZONE BOTTOM	
9. ROYALTY RATE ☐ P ☐ G	
10. OIL GRAVITY, API DEC.	
11. PRICE OF GAS PER MCF, DEC.	
12. HEAT CONTENT - PRODUCED GAS - BTU/MCF	
13. PRICE OF NGL SOLD PER GAL., DEC.	
14. CRUDE OIL PRICE PER BBL., DEC.	
15. POSTED OIL FIELD	

16. G. & G.L. INCOME, ANNUAL	
17. GAS USED ON LEASE, MCF/YR	
18. GAS SALES, MCF/YR	
19. NGL SALES, GAL/YR	
20. TRUCKING CHARGE PER BBL.	
21. NAME OF CRUDE OIL BUYER	
22. SEVERANCE TAX PER BBL.	

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THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

23. PROVED RESERVES			
AS OF YEAR END	100% OIL (BBL)	100% GAS (MMCF)	ASSESSOR'S USE ONLY
DEVELOPED			
UNDEVELOPED			

24. BASIC WELL EQUIPMENT

TYPE	NUMBER OF WELLS			
	ACTIVE	IDLE	DEPTH	
PRODUCING FLOWING				
PRODUCING ARTIFICIAL LIFT				
IDLE WITH EQUIPMENT: GOOD				
IDLE WITH EQUIPMENT: FAIR				
IDLE WITH EQUIPMENT: POOR				
IDLE WITH NO EQUIPMENT				
IDLE RODS AND TUBING				
OBSERVATION				
INJECTION STEAM (NON-CYCLIC)				
INJECTION WATER				
INJECTION AIR/GAS				
WATER DISPOSAL				
WATER SUPPLY				
TOTAL				

25. OTHER PRODUCTION EQUIPMENT - ADDITIONS AND REMOVALS

ITEM	NUMBER	SIZE	ACQUISITION DATE	ORIGINAL COST INSTALLED	
TANKS, WASH					
TANKS, LARGE STORAGE					
INJECTION EQUIPMENT					
DISPOSAL EQUIPMENT					
SHIPPING PUMPS					
STEAM GENERATORS					
SCRUBBERS					
COMPRESSORS					
LACT					
TOTAL					

26. REMARKS

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DECLARATION BY ASSESSEE

OWNERSHIP TYPE (☑)

- Proprietorship ☐
- Partnership ☐
- Corporation ☐
- Other _____ ☐

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this property statement, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct, and complete and includes all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this statement at 12:01 a.m. on January 1, 20___.

SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT* ▶		DATE
NAME OF ASSESSEE OR AUTHORIZED AGENT* *(typed or printed)*		TITLE
NAME OF LEGAL ENTITY *(other than DBA) (typed or printed)*		FEDERAL EMPLOYER ID NUMBER
PREPARER'S NAME AND ADDRESS *(typed or printed)*	TELEPHONE NUMBER ( )	TITLE

** Agent: See page 4 for Declaration by Assessee instructions.*

THIS REPORT IS SUBJECT TO AUDIT

INSTRUCTIONS FOR COMPLETING OIL AND DISSOLVED GAS PRODUCTION REPORT

This report is not a public document. The information contained here will be held confidential by the Assessor (section 451, Revenue and Taxation Code); it can be disclosed only to the district attorney, grand jury and other agencies specified in section 408 of the Revenue and Taxation Code. Attached schedules are considered to be part of the report. The Assessor's failure to keep such records confidential could subject him or her to civil damages (Government Code section 1504), and if such failure is determined to be willful, the Assessor may be subjected to other sanctions as provided by law (Government Code sections 3060 - 3074). Agents of the county hired as consultants are subject to the same provisions, sanctions and penalties upon failure to keep records confidential.

All personal property owned by the respondent and any property belonging to others on the lease as of January 1 must be reported to the Assessor on BOE-566-J, *Oil, Gas and Geothermal Personal Property Statement*.

Line numbers listed in these instructions refer to identical line numbers printed on the form. At top of form, fill in the year of lien date for which this report is made.

LINE 1. NAME, MAILING ADDRESS AND PHONE NUMBER

a. NAME OF OPERATOR (PERSON OR CORPORATION)

If the name is preprinted, check the spelling and correct any error. In the case of an individual, enter the last name first, then the first name and middle initial. Partnerships must enter at least two names, showing the last name, first name and middle initial for each partner. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

b. DBA OR FICTITIOUS NAME

Enter the DBA name under which you are operating in this county below the name of the sole owner, partnership, or corporation.

c. MAILING ADDRESS

Enter the mailing address of the legal entity shown in line 1b above. This may be either a street address or a post office box number. It may differ from the actual location of the property. Include the city, state, and zip code.

d. PHONE NUMBER

Enter the phone number where we may contact you or your authorized representative for information regarding the subject property.

LINE 2. DESCRIPTION OF THE PROPERTY

Report each lease or parcel on a separate report form. Fill in oil field name, lease name and pool, and lease number. Conform to Division of Oil and Gas classification in regard to name of field, lease, and pool. Check whether recovery is primary or other type. If other, describe method, for example, waterflood, steam injection (cyclic or flood), fire flood, etc.

LINE 3. PARCEL NUMBER AND TAX RATE AREA NUMBER

Fill in the parcel number and tax rate area number, if known.

LINE 4. Submit a separate form for each Department of Energy (DOE) "Formation," for example, Division of Oil and Gas recognized pool, and label according to the Division of Oil and Gas nomenclature.

LINE 5. Report oil (BBLS), water (BBLS) and gas (MCF) production and steam (BBLS) or water (BBLS) injection by months on a calendar year basis and the number of producing or injection wells and days. New wells and/or abandonments should be reported separately.

LINE 9. List the total royalty percent. For leasehold properties check appropriate Box P or G whether the lessor is a private party or a governmental agency and state the government royalty separately.

LINE 14. Report crude oil price per barrel at the end of December before any transportation charges.

LINE 15. Please list the posted oil field used as a reference for crude oil sales.

LINE 16. Report calendar year's gas and gas liquids income to the property for working and royalty interests combined (excluding plant's share of gas and gas liquids).

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LINE 17. Report gas (MCF) used as lease fuel.

LINE 18. Report volume of gas (MCF) credited to lease after plant processing. This volume should be the same as that upon which royalty payments are based.

LINE 19. Report volume of (NGL) credited to lease after plant processing. This volume should be the same as that upon which royalty payments are based.

LINE 20. Indicate trucking charges per barrel if oil must be hauled.

LINE 23. Indicate your proved developed and undeveloped oil and gas reserves (as defined in Rule section 468 of the California Code of Regulations), as of the year end.

LINE 24. Report the number of wells by type, indicating the status and average depth. Idle with equipment (good, fair, poor), idle no equipment, and idle rods and tubing pertain to producing wells only. A well is considered active if used at least one day during December. Active producers and injectors should equal the number of wells reported for December in the production and injection data. An injector should be reported as a producer if the well was in production at any time during December.

LINE 25. Report additions to or removals of improvements of your "Other Production Equipment." Label removals. The Assessor may, on written notice, request annual reporting of previously existing equipment.

LINE 26. Any other information bearing on the value of the property may be recorded under "Remarks."

DECLARATION BY ASSESSEE

The law requires that this production report, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a **corporation**, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a **partnership**, the declaration must be signed by a partner or an authorized employee or agent. In the case of a **Limited Liability Company** (LLC), the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The Assessor may at any time require a person who signs a production report and who is required to have written authorization to provide proof of authorization.

A production report that is not signed and executed in accordance with the foregoing instructions is not validly filed. The penalty imposed by section 463 of the Revenue and Taxation Code for failure to file is applicable to unsigned production reports.

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