



STATE BOARD OF EQUALIZATION

720 N STREET, SACRAMENTO, CALIFORNIA
(P O BOX 1799, SACRAMENTO, CALIFORNIA 95808)

916/445-6479

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DOUGLAS D BELL
Executive Secretary

April 4, 1979

79/70

TO COUNTY ASSESSORS, COUNTY COUNSELS, COUNTY
ASSESSMENT APPEALS BOARDS, AND OTHER INTERESTED PARTIES:

PROPERTY TAX RULE 468

Enclosed is a copy of Property Tax Rule 468, Oil and Gas
Producing Properties, amended by the State Board of Equalization
on an emergency basis, effective April 2, 1979.

A public hearing of this amended rule will be scheduled within
120 days. Notices of the hearing will be mailed to all interested
parties.

If you have any questions regarding this rule, please refer them
to the Assessment Standards Division, Department of Property
Tax, 916/445-4982.

Sincerely,


Janice Masterton
Calendar Clerk

JM/k
Enclosure

CONTINUATION SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

STATE BOARD OF EQUALIZATION
Amendments to Section 468
in
Title 18, California Administrative Code

(1) Amend Regulation 468(a) and (b) to read:

468. Oil- and Gas-Producing Properties

(a) The right to remove petroleum, natural gas, minerals referred to in Section 469 and other minerals from the earth is a taxable real property interest. Increases in recoverable amounts of minerals caused by changed physical or economic conditions constitute additions to such a property interest. Reduction in recoverable amounts of minerals caused by production or changes in the expectation of future production capabilities constitute a reduction in the interest. Whether or not physical changes to the system employed in recovering such minerals qualify as new construction shall be determined by reference to Section 463(a).

(b) The market value of a mineral property interest is determined by estimating the value of the volumes of mineral reserves which geological and engineering information indicate to be recoverable in the future, taking into account reasonably projected physical and economic operating conditions. Present and projected economic conditions shall be determined by reference to all economic factors considered by knowledgeable and informed persons engaged in the operation and buying or selling of such properties.

Note: Authority cited: 15606(c) Gov. Code
Reference: Art. XIII A, Secs. 1 & 2 California Constitution

DO NOT WRITE IN THIS SPACE