Colorado Oil and Gas Conservation Commission (COGCC)
Oil and Gas Conservation Levy, Form 8
Specifications

It is understood that previous instructions have been less detailed than required, causing some confusion. This document establishes consistent standards and formats to be used for all levy filings.

General Guidelines
The levy is to be reported and submitted quarterly on the COGCC Form 8. There is no waiver for minimum amounts due. The levy payments must be calculated on an operator/product basis. Interest of 3% is due only on late filings, adjustments do not receive an interest penalty. Do not round off the figure for levy due; it should be calculated to the penny. Do round to the dollar the figures for oil and gas volumes and values. Only sales from production of wells in Colorado are subject to the levy.

1st Quarter Levy - Due June 1 – Reports sales in January, February and March
2nd Quarter Levy - Due September 1 – Reports sales in April, May and June
3rd Quarter Levy - Due December 1 – Reports sales in July, August and September
4th Quarter Levy - Due March 1 – Reports sales in October, November and December

Notification of Levy Issues
When levy rates are changed, notification letters are mailed to all registered levy payor companies. We understand that, particularly with very large companies, these letters often do not make it into the hands of the correct personnel. Historical and current levy rates may be found on our website by clicking on “Library” to the left of our homepage, and then clicking on “Conservation Levy Rates Assessed 1990-Present” under the Miscellaneous heading.

The Correct Form 8 To Use: As of July 1, 2001, the Levy reporting format was changed from reporting revenues by lease to revenues by operator. The form and electronic reporting format were altered to reflect these changes. Adjustments and late reports for periods prior to the 3rd quarter of 2001 shall be reported using the old form and format.

Attachments: Only the current Form 8 Continuation Page should follow the Form 8. This should only be used if additional spaces are needed. Additional spreadsheets, printouts from your computer system or the old continuation page (listing info by lease instead of operator) are NOT required.
THE FORM 8

Forms downloaded in Adobe pdf format should be set to print on legal-sized paper. For instructional purposes, the form has been divided into the following sections:

Section 1: Payor and contact info.
Section 2: Quarter, rate and type of filing info.
Section 3: Summary info.
Section 4: Details and amounts
Section 5: Signature section.
COMPLETING THE FORM 8

Section 1:
This section is fairly self-explanatory and, with the exception of legibility issues, there don’t seem to be any problems in filling this out.

If a Payor Number is unknown, it can be found by going to www.oil-gas.state.co.us, click on “Database” then “Name, Address and Financial Assurance Tracking”. Enter the first few characters of the company name and click submit. Due to data entry variables, differently formatted searches may have to be made (i.e. “BP” or “B.P.” or “Johnson, Bruce” or “Bruce Johnson”).

A completed section 1 will look like this:

<table>
<thead>
<tr>
<th>OGCC Payor Number:</th>
<th>123456</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form Prepared By:</td>
<td>L.L. Everitt</td>
</tr>
<tr>
<td>Name of Payor:</td>
<td>BOI Oil</td>
</tr>
<tr>
<td>Address:</td>
<td>1234 Main St, Ste 123</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>(555) 555-5555 x5</td>
</tr>
<tr>
<td>City:</td>
<td>Anywhere</td>
</tr>
<tr>
<td>State:</td>
<td>CO</td>
</tr>
<tr>
<td>Zip:</td>
<td>80000</td>
</tr>
<tr>
<td>Fax Number:</td>
<td>(555) 555-5556</td>
</tr>
</tbody>
</table>

Section 2:
A separate form must be used for each quarter. (Adjustments for previous quarters may NOT be entered on the same form as new quarter information. If there are adjustments to 2 or more quarters, 2 or more forms must be completed – 1 for each quarter adjusted.)

Assessed Mill Levy for Period – this is the RATE assessed (i.e. “.0011”)

First Filing – Check this box only on the first form filed under a given payor number for a given quarter

Adjustment – Check here if filing corrects or changes Total Value Sold or Exempt Value numbers (see page 4)

Replacement – Check here to correct or change any information other than Total Value Sold or Exempt Value, the old form will be thrown away (see page 4)

A completed section 2 for a first filing of the 3rd quarter of 2002 looks like this:

This return covers oil and gas sold during quarter __3____ of year __2002____
Assessed Mill Levy for Period: __.0011____

☑️ First Filing ☐ Adjustment ☐ Replacement

Section 3:
Please always complete this section!

Total Sales For Period: Add all numbers in the “Total Value Sold In Dollars” column and enter the total here
Do NOT enter the taxable total (Sales-Exempt) here. The taxable number is not written down anywhere on the form 8! The total sales number is used by us for comparison with reported production.

Total Levy Due: Add all numbers in the “Levy Due” column and enter the total here

Interest Due: Interest of 3% is due only on late filings, adjustments do not receive an interest penalty. Interest formula: \((\text{total levy due} \times 0.03) \times (\# \text{ months late}) = \text{interest due}\)

Total Due: Add Total Levy Due to Interest Due and enter the number here

The following is an example of a completed section 3:

<table>
<thead>
<tr>
<th>Total Sales For Period</th>
<th>Total Levy Due</th>
<th>Interest Due</th>
<th>Total Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,031,127</td>
<td>7,728.73</td>
<td>0</td>
<td>7,728.73</td>
</tr>
</tbody>
</table>
Section 4:
This is the section that causes the most confusion, and, where most errors and formatting differences occur.

Operator Name: The company name of the operator

Operator Number: If an Operator Number is unknown, it can be found by going to www.oil-gas.state.co.us, click on “Database” then “Name, Address and Financial Assurance Tracking”. Enter the first few characters of the company name and click submit.

Product: “O” for oil, “G” for gas, or C for CO2. Oil and gas totals must not be lumped together – they must be entered on separate lines.

Total Volume Sold in MCF or BBLS: On adjustment filings, this number may be negative. Enter this number only ONCE for each operator and product type; do NOT repeat the number for multiple exemption lines.

Total Value Sold In Dollars: Round to the dollar. Enter this number only ONCE for each operator and product type; do NOT repeat the number for multiple exemption lines.

Type: Type of exemption. “F” for Federal, “I” for Indian, “S” for State or “O” for other. Leave this field blank if there are no exemptions. An exemption type may be entered on the same line as other information, but multiple exemption types must be entered on separate lines.

Exempt Value in Dollars: The amount of the Total Value Sold that is exempted from levy payments due to ownership by Federal, State, Indian or Other exempt entities

Levy Due: Use the formula (Total Value Sold – Exempt Value) x (Assessed Rate) = Levy Due

PLEASE NOTE: THERE ARE 2 ACCEPTABLE FORMATS FOR SECTION 4
In either format, the calculations are the same and the total of each column is the same.
(The levy rate used in these examples is .0008)

Format 1: A separate Levy Due amount is entered for each line. In the example below, the formulas used are:
Line1: (50,000 – 114)x(.0008)=39.90  Line2: (0-75)x(.0008)= -.06  Line3: (0-62)x(.0008)= -.04  etc.

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold In Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>10,000</td>
<td>50,000</td>
<td>F</td>
<td>114</td>
<td>39.90</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td></td>
<td></td>
<td></td>
<td>75</td>
<td>-.06</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td></td>
<td></td>
<td>I</td>
<td>62</td>
<td>-.04</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td>5,000</td>
<td>2,500</td>
<td>F</td>
<td>500</td>
<td>1.60</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td></td>
<td></td>
<td>S</td>
<td>30</td>
<td>-.02</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td></td>
<td></td>
<td>I</td>
<td>1,000</td>
<td>-.80</td>
</tr>
</tbody>
</table>

Format 2: (Most commonly used) - One Levy Due total may be entered for each Operator and Product Type
The formulas: BOI “G”: (50,000-114-75-62)x(.0008)=39.80  BOI “O”: (2,500-500-30-1,000)x(.0008)=.78

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold In Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>10,000</td>
<td>50,000</td>
<td>F</td>
<td>114</td>
<td>39.80</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td></td>
<td></td>
<td>S</td>
<td>75</td>
<td>39.80</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td></td>
<td></td>
<td>I</td>
<td>62</td>
<td>39.80</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td>5,000</td>
<td>2,500</td>
<td>F</td>
<td>500</td>
<td>.78</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td></td>
<td></td>
<td>S</td>
<td>30</td>
<td>.78</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>O</td>
<td></td>
<td></td>
<td>I</td>
<td>1,000</td>
<td>.78</td>
</tr>
</tbody>
</table>

Signature Section:
The following is an example of a completed signature section:
I, _L.L. Everitt ____________________ am hereby authorized by _BOI Oil ____________________
To submit this report and do certify that to the best of my knowledge the information contained herein is correct.
Signature of Payor __________________________ Phone No. (555) 555-5555 x5  _     06 /01/ 2003
REPLACEMENTS AND ADJUSTMENTS

Do I file an Adjustment or a Replacement?

If information including an amount for Total Value Sold in Dollars or Exempt Value in Dollars is changing, file an ADJUSTMENT.

If only other information is changing, complete the form as it should have looked originally and file as a REPLACEMENT. The previously filed form will be disposed of and the form marked “Replacement” will be filed in its place.

The numbers entered on replacement and adjustment forms should balance as stand-alone forms; no other numbers or previous filings should have to be referred to for the numbers to balance per the basic formula of: (Total Value Sold – Exempt Value) x (Rate Assessed) = Levy Due.

Adjustment Example 1:
In this scenario, 500 MCF and $2,500 less than originally reported was actually sold. 10% of the sales for this operator are subject to a Federal exemption and 10% are subject to a State exemption.

To back these numbers out of the original filing sections 2, 3, and 4 of the form would be completed as follows:

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold In Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>-500</td>
<td>-2500</td>
<td>F</td>
<td>-250</td>
<td>-2.47</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>-500</td>
<td>-2500</td>
<td>S</td>
<td>-250</td>
<td>.27</td>
</tr>
</tbody>
</table>

The calculations:

\[
\begin{align*}
\text{(-2500} - (-250)\text{)} \times .0011 &= -2.47 \\
(0 - (-250)) \times .0011 &= .27
\end{align*}
\]

\[
-2.47 + .27 = -2.20
\]

Or, using the alternative format for the Levy Due column:

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold In Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>-500</td>
<td>-2500</td>
<td>F</td>
<td>-250</td>
<td>-2.20</td>
</tr>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>-500</td>
<td>-2500</td>
<td>S</td>
<td>-250</td>
<td>-2.20</td>
</tr>
</tbody>
</table>

Calculation:

\[
\text{(-2500} - (-250) - (-250)\text{)} \times .0011 = -2.20
\]
Adjustment Example 2:
In this scenario, the Total Volume Sold was amended to be 5,000 MCF less than reported on the original filing, the Total Value is $15,000 less and, on the original filing, the preparer forgot to enter any exemptions at all. The original filing reported $100,063 of Total Sales, $0 exemptions and a total levy due of $110.69. 50% of sales were Indian and should have been exempt.

This scenario requires a filing as follows:

This return covers oil and gas sold during quarter __3____ of year __2002____
Assessed Mill Levy for Period: __.0011____

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold in Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>-5,000</td>
<td>-15,000</td>
<td>I</td>
<td>47,531</td>
<td>-68.78</td>
</tr>
</tbody>
</table>

The calculation:  
\((-15,000 – 47,531) \times .0011 = -68.78\)

Adjustment Example 3:
In this scenario, it was notices that the original filing reported the correct Total Volume and Total Value Sold amounts but the preparer forgot to enter exemptions. The original filing reported $6,000 of Total Sales, $0 exemptions and a total levy due of $6.60. However, 50% ($3,000) of sales were Indian and should have been exempt. Please note that because the Total Volume and Total Value Sold were previously reported correctly, they will not be re-entered on this form.

This scenario requires a filing as follows:

This return covers oil and gas sold during quarter __3____ of year __2002____
Assessed Mill Levy for Period: __.0011____

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Number</th>
<th>Product</th>
<th>Total Volume Sold in MCF or BBLS</th>
<th>Total Value Sold in Dollars</th>
<th>Type</th>
<th>Exempt Value In Dollars</th>
<th>Levy Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOI Oil</td>
<td>123456</td>
<td>G</td>
<td>0</td>
<td>0</td>
<td>I</td>
<td>3,000</td>
<td>-3.30</td>
</tr>
</tbody>
</table>

The calculation:  
\((0 – 3,000) \times .0011 = -3.30\)