

INSTRUCTIONS

(For completing the Application for Refund of Fees Assessed on Production to Support the Commission on Marginally Producing Oil & Gas Wells)

The attached Application Form is to request a refund of fees assessed against production obtained during the calendar year from **January 1, 2008, through December 31, 2008, only.** You must use the proper application form for the producing year for which you are requesting a refund. A complete refund application must be submitted to the Commission at its offices **post-marked on or before June 1, 2009.**

A separate exhibit must be submitted for each well/unit for which a refund is being requested. (You may make as many copies of the exhibit as needed.) The Application must be accompanied by documentation evidencing the net barrels of petroleum liquids and/or cubic feet of natural gas, including casinghead gas, owned by the Applicant against which the fee was assessed (i.e. copies of the check stubs received from the distributor of revenue showing the gross amount of production purchased and the net ownership interest of the payee). All documentation submitted in conjunction with the Application will be retained by the Commission. **DO NOT SEND ORIGINALS!**

If the Applicant is an operator, the Application may only request a refund for fees assessed against production **actually owned by the Applicant.** An operator **may not** submit an application in behalf of the other interest owners in the well. Applications from operators must be accompanied by documentation showing any redistributions of production or proceeds that were made to third parties. The amount of those redistributions must be deducted from the gross amount of the request.

The Commission reserves the right to request additional information from any Applicant to substantiate the validity of any Application.

ANY FAILURE ON THE PART OF THE APPLICANT TO PROVIDE THE INFORMATION REQUIRED BY STATUTE OR THE RULES OF THE COMMISSION MAY BE CAUSE FOR THE REJECTION OF THE APPLICATION *IN TOTO.*

It is the Applicant's responsibility to keep the Commission advised of any change in mailing address. The Applicant's Social Security or F.E.I. number **must** be included on the Application in order to receive a refund. Failure to include this information will delay the issuance of any check for funds due to the Applicant. A daytime telephone number and the name of a contact person should also be included so that the Commission may make contact with the Applicant in the event additional information is needed to process the Application.

If you have any questions regarding the Application or the refund process, you may contact the Commission at 3535 NW 58th Street, Suite 870, OKC, OK 73112 or by telephone at 604-0460 within the Oklahoma City calling area, **outside that area**, please call 1-800-390-0460.

RE: APPLICATION FOR REFUND OF THE ASSESSMENT FEE FOR
MARGINALLY PRODUCING OIL AND GAS WELLS COMMISSION

Section 700, *et seq.* of Title 52 of the Oklahoma Statutes created the Commission on Marginally Producing Oil and Gas Wells ("Commission"). The Commission is statutorily directed to:

- 1) define and identify appropriate categories that may be used to characterize marginally producing oil and gas wells;
- 2) research and collect information on the number, location, and operational conditions of marginally producing oil and gas wells in the State of Oklahoma;
- 3) identify and evaluate the economic and operational factors that may extend the life of marginally producing oil and gas wells;
- 4) propose legislative, regulatory and operational remedies that will extend the life of marginally producing oil and gas wells;
- 5) collect data and make available to the public any information on the contributions of marginally producing oil and gas wells to the local economies of the State of Oklahoma;
- 6) interact with national and regional organizations to ensure recognition of the importance of marginally producing oil and gas wells to the current and future domestic production of oil and gas;
- 7) make an annual report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives on those methodologies and procedures that may aid in preserving the life of marginally producing oil and gas wells; and
- 8) investigate any additional issues that may have any effect on the preservation of marginally producing oil and gas wells.

In order to fund the Commission's work, Section 703 of Title 52 provides for the assessment of a fee of two-tenths of one cent (\$0.0035) on each barrel of petroleum liquid and one-tenth of one cent (\$0.00015) on each ten thousand (10,000) cubic feet of natural gas, including casinghead gas, produced from each well in the State of Oklahoma. The only exception to the assessment is production that is exempt from the payment of gross production tax pursuant to Section 1001 of Title 68 of the Oklahoma Statutes to fund the Commission's activities.

The legislature provided a method for owners of production to request a refund of any assessment withheld from their production at Section 704 of Title 52. Any assessment that has been withheld is to be refunded upon the requesting entity's compliance with the provisions of Section 704 and the rules promulgated by the Commission to implement that section. The rules that have been promulgated by the Commission to implement Section 704 may be found at Vol. 11, 14 of the Oklahoma Register in Title 432, Chapter 1, pages 1957-65.

Following is an application for refund of the fees withheld from distribution and tendered to the Oklahoma Tax Commission pursuant to Section 703 of Title 52. We hope that you will choose to continue to support the efforts of the Commission by foregoing the process of requesting a refund. However, if you choose to submit an application, it will be processed as quickly as resources allow.