

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

September 17, 2001

Re: Our File No. LR-01-119, Request for various tax data.

Dear

This letter is in response to your inquiry regarding state and local tax bills of firms in the exploration and production sector of the oil and gas industry.

The specific information you have requested as pertaining to corporate income, corporate franchise, property and sales taxes levied upon firms in the SIC 13 category in Oklahoma is not available at this time. The Oklahoma Tax Commission currently does not have the capability to retrieve tax data by SIC codes. There is however information available that may be of some assistance to you regarding the impact of various taxes on companies producing wells in Oklahoma. I have enclosed two (2) separate studies commissioned by the Commission on Marginally Producing Oil and Gas Wells of Oklahoma.

The first study was done by the Center for Economic and Management Research at the University of Oklahoma focusing on well cost analysis, impact of oil and gas production and drilling on the Oklahoma Economy and localized impacts of oil and gas production and drilling activity in Oklahoma. The second study done by the Bureau for Social Research at Oklahoma State University provides a demographic and economic profile of Oklahoma's marginal oil and gas well operators.

While the primary emphasis of these reports relates to marginally producing wells, basic industry economics are addressed as well.

If you should have any questions or need additional information you may contact me at 405-521-3133.

Sincerely,

Mark J. Hendrix
Tax Policy Analyst

2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION