

FORM 328 GENERAL INSTRUCTIONS

PURPOSE...

This application is to be used to apply for refund of Gross Production Taxes paid on wells that qualify for an exemption.

WHO IS ELIGIBLE TO APPLY...

Only those well operators or designees which have received certification from the Oklahoma Corporation Commission by OCC order or received notification by the Oklahoma Tax Commission on Economically at Risk Well may apply.

DATE APPLICATION MAY BE SUBMITTED...

Application for this refund should be submitted after July 1 and should include the entire twelve months prior to July 1 for which taxes have been paid.

REPORT MUST BE NOTARIZED...

This report must be signed, dated and notarized before it can be processed.

INSTRUCTIONS FOR PREPARING FORM 328

1. A. Enter the operator/working interest owner's FEI or social security number.
B. Enter the operator/working interest owner's name as filed on OCC Form 1534-841
C. Enter the operator/working interest owner's number assigned by the Oklahoma Corporation Commission.
2. A. Circle appropriate box. (A separate form must be completed for each type of exemption)
B. Enter the Oklahoma Corporation Commission or Oklahoma Tax Commission approval number.
3. Number each page consecutively.
4. Enter the production unit number assigned to the lease by OTC Form 320.
(List one production unit number per page).
5. Enter the tax remitter's assigned company reporting number.
6. Classification of product being reported must be product code shown on OTC Form 320. Enter correct code number to show product to be reported: 1) Oil 2) Condensate 4) Casinghead Gas 5) Natural Gas 6) Natural Gas Liquids.
7. Enter month and year of production. (List one month per line)
8. Provide the name of each well for which a refund is claimed.
9. Enter total number of wells on lease.
10. Enter the gross volume attributable to the exempt well. (If the well has an exemption use taxable volume.) If economically at risk lease continue to item 15.
11. Enter the gross value attributable to the exempt well. (If the well has an exemption list taxable value.) If economically at risk lease continue to item 15.
12. Enter the volume of base production on workover/recompleted well which is the average monthly amount of production from July 1, 1993 through June 30, 1994. If recompletion is made after July 1, 1996 base will be figured on 12 (twelve) months immediately prior to project completion date.
(This applies to a workover lease only)
13. Inactive/Deep/New Discovery/Economically at Risk Well - gross volume (item 10) less any exemptions taken on taxpayer's monthly report. Workover/recompleted - gross volume (item 10) less base production (item 12) less any exemptions taken on taxpayer's monthly report.
14. Enter the value attributable to the exempt volume.
15. Gross production tax refund on oil or gas for each entry. (.06) of exempt value.
16. Total all refund entries on line 15 and post in block 16.