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BOE-566-F (P1) REV. 07 (02-11)

20____

DRY GAS PRODUCTION, EQUIPMENT, NEW WELL, REDRILL AND REWORK REPORT

Office of Tom J. Bordonaro, Jr.
San Luis Obispo County Assessor
County Government Center
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OFFICIAL REQUIREMENT

A report submitted on this form is required of you by section 441(a) of the Revenue and Taxation Code. The statement must be completed according to the instructions and filed with the Assessor on or before April 1, 20_____. Failure to file it on time will compel the Assessor's Office to estimate the value of your property from other information in its possession and add a penalty of 10 percent as required by Code section 463.

This statement is not a public document. The information contained herein will be held secret by the Assessor (Code section 451); it can be disclosed only to the district attorney, grand jury, and other agencies specified in Code section 408. Attached schedules are considered to be part of the statement.

CAREFULLY READ AND FOLLOW THE ACCOMPANYING INSTRUCTIONS. IF ADDITIONAL DETAIL IS NECESSARY, ATTACH SEPARATE PAGE.

1. NAME AND MAILING ADDRESS

(Make necessary corrections to printed name and mailng address)

2. DESCRIPTION OF THE PROPERTY

Field name _____

Lease name _____

Zone name(s) _____

3. PARCEL NUMBER _____

Tax rate area _____

4. TELEPHONE NUMBER OF PERSON COMPLETING FORM (_____) _____

5. INDIVIDUAL WELL DATA

Well Number: Zone Name:

6.	PRODUCTION			PRESSURE (see inst.)		DELIVERABILITY
	Producing Days	Gas (Mcf.) ☐ Gross ☐ Sales	Water (Bbls.)	Casing (Surface Psig)	Tubing (Surface Psig)	5 - Day Period (Average Daily Mcf.)
7. Jan.						
Feb.						
Mar.						
Apr.						
May						
Jun.						
Jul.						
Aug.						
Sep.						
Oct.						
Nov.						
Dec.						
8. TOTALS				xxx	xxx	xxx

9. NATURAL GAS POLICY ACT DESIGNATION

10. ACTUAL GAS PRICE RECEIVED FOR WELL/LEASE IN DECEMBER ($/Mcf.)

11. GAS BTU IN THIS WELL, ZONE IN THIS WELL, OR FOR THIS LEASE

12. PROVED RESERVES ☐ Well ☐ Zone ☐ Lease — DEVELOPED (MMcf.) — UNDEVELOPED (MMcf.) — DATE ESTIMATE MADE:

13. RESERVE CALCULATION METHOD ☐ Volumetric ☐ Material Balance ☐ Decline Curve

14. PRESENT CONTRACT RATE-OF-TAKE — % OF RESERVES (Mcf./DAY) — % OF DELIVERABILITY (Mcf./DAY)

15. OPEN PERFORATED INTERVAL(S)

16. CUMULATIVE PRODUCTION AS OF DEC 31 (see instructions)

17. BOTTOM HOLE SHUT-IN PRESSURE — DATE TAKEN

5. INDIVIDUAL WELL DATA

Well Number: Zone Name:

6.	PRODUCTION			PRESSURE (see inst.)		DELIVERABILITY
	Producing Days	Gas (Mcf.) ☐ Gross ☐ Sales	Water (Bbls.)	Casing (Surface Psig)	Tubing (Surface Psig)	5 - Day Period (Average Daily Mcf.)
7. Jan.						
Feb.						
Mar.						
Apr.						
May						
Jun.						
Jul.						
Aug.						
Sep.						
Oct.						
Nov.						
Dec.						
8. TOTALS				xxx	xxx	xxx

9. NATURAL GAS POLICY ACT DESIGNATION

10. ACTUAL GAS PRICE RECEIVED FOR WELL/LEASE IN DECEMBER ($/Mcf.)

11. GAS BTU IN THIS WELL, ZONE IN THIS WELL, OR FOR THIS LEASE

12. PROVED RESERVES ☐ Well ☐ Zone ☐ Lease — DEVELOPED (MMcf.) — UNDEVELOPED (MMcf.) — DATE ESTIMATE MADE:

13. RESERVE CALCULATION METHOD ☐ Volumetric ☐ Material Balance ☐ Decline Curve

14. PRESENT CONTRACT RATE-OF-TAKE — % OF RESERVES (Mcf./DAY) — % OF DELIVERABILITY (Mcf./DAY)

15. OPEN PERFORATED INTERVAL(S)

16. CUMULATIVE PRODUCTION AS OF DEC 31 (see instructions)

17. BOTTOM HOLE SHUT-IN PRESSURE — DATE TAKEN

THIS REPORT SUBJECT TO AUDIT

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18. LEASE SUMMARY

19. GAS USED ON LEASE (Mcf.) | 20. LEASE CONDENSATE (Gals.) | ($/Gal.)

21. UTILITY SALES LINE PRESSURE (Psig)

22. ROYALTY RATE ☐ Private % ☐ Government %

23. IF YOU CHECKED "Government" IN LINE 22, DOES THIS PROPERTY QUALIFY FOR A PROPERTY TAX EXEMPTION UNDER REVENUE AND TAXATION CODE SECTION 107.2 OR 107.3? ☐ Yes ☐ No

24. WHO PURCHASES THE GAS PRODUCED ON THIS LEASE?

25. WHAT IS THE CONTRACT EXPIRATION DATE?

26. WHAT IS THE DATE ON WHICH PRICES BECOME RENEGOTIABLE?

27. BASIC WELL EQUIPMENT — ASSESSOR'S USE ONLY

		Number of Wells	
PRODUCING WELLS	Single Completions		
	Dual Completions		
	Triple Completions		
NONPRODUCING WELLS	With Equipment		
	No Equipment		
DISPOSAL WELLS			
TOTALS			

28. OTHER PRODUCTION EQUIPMENT — ASSESSOR'S USE ONLY

ITEMS	Number	Size/Description	Acquis. Year	Original Cost Installed	
TANKS, WATER					
TANKS, STORAGE					
DEHYDRATORS					
COMPRESSORS					
GATHERING LINES					
PIPELINES					
DISPOSAL EQUIP.					
HEATER					
OTHER					
			TOTAL		

29. NEW WELL, REDRILL, REWORK REPORT (see instructions regarding data required)

WELL NAME AND NUMBER				
ZONE NAME				
PRODUCING INTERVAL (FEET)				
POROSITY (0) (%)				
WATER SATURATION (Sw) (%)				
COMPRESSIBILITY FACTOR (Z)				
DRAINAGE AREA (A) (ACRES)				
NET SAND (h) (FEET)				
SPECIFIC GRAVITY				
FORMATION TEMPERATURE (Tf) (oR)				
INITIAL FORMATION PRESSURE (PSIG)	Bottom Hole	Bottom Hole	Bottom Hole	Bottom Hole
	Surface	Surface	Surface	Surface
RECOVERY FACTOR (RF) (%)				
RESERVOIR MECHANISM				

30. REMARKS (attach additional sheets if needed)

DECLARATION BY ASSESSEE

OWNERSHIP TYPE (4)
- Proprietorship ☐
- Partnership ☐
- Corporation ☐
- Other _____ ☐

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this production report, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct, and complete and includes all production and all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this statement at 12:01 a.m. on January 1, 20 _____.

SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT*		DATE
NAME OF ASSESSEE OR AUTHORIZED AGENT* (typed or printed)		TITLE
NAME OF LEGAL ENTITY (other than DBA) (typed or printed)		FEDERAL EMPLOYER ID NUMBER
PREPARER'S NAME AND ADDRESS (typed or printed)	TELEPHONE NUMBER ( )	TITLE

*Agent: see page P4 for Declaration by Assessee instructions.

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INSTRUCTIONS FOR COMPLETING DRY GAS PRODUCTION, EQUIPMENT, NEW WELL, REDRILL, AND REWORK REPORT

This report is not a public document. The information contained herein will be held secret by the Assessor (section 451, Revenue and Taxation Code); it can be disclosed only to the district attorney, grand jury, and other agencies specified in section 408 of the Revenue and Taxation Code. Attached schedules are considered to be part of the report. The Assessor's failure to keep such records confidential could subject him or her to civil damages (Government Code section 1504), and if such failure is determined to be willful, the Assessor may be subjected to other sanctions as provided by law (Government Code sections 3060-3074). Agents of the county hired as consultants are employees of the county and are subject to the same provisions, sanctions and penalties upon failure to keep records confidential.

If this report is prepared prior to January 1, any change in real property between the date as of which the report is prepared and January 1, must be reported to the Assessor on a supplemental report.

Report each lease or parcel on a separate report form. Two wells may be reported on one form provided the wells do not contain more than one zone. For example if wells A and B produce from single zones, well A would be reported on lines 5 through 17 on the left side of the form, and well B would be reported on lines 5 through 17 on the right side of the form. However, if well A produced from two separate and distinct zones, one zone would be reported on the left side of the form, and one zone would be reported on the right.

All personal property owned by the respondent and any property belonging to others on the lease as of January 1 must be reported to the Assessor on BOE 566-D, Oil and Dissolved Gas Production Report. Operating expenses must be reported on BOE 566-K, Annual Oil and Gas Operating Expense Data.

Line numbers listed in these instructions refer to identical line numbers printed on the form. At top of form, fill in the year of lien date for which this report is made.

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LINE 1. NAME AND MAILING ADDRESS

a. NAME (OF OPERATOR). If the name is preprinted, check the spelling and correct any error. In the case of an individual, enter the last name first, then the first name and middle initial. Partnerships must enter at least two names, showing the last name, first name, and middle initial for each partner. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

b. DBA (FICTITIOUS NAME). Enter the DBA name under which you are operating in this county, if applicable, below the name of the sole owner, partnership, or corporation.

c. MAILING ADDRESS. Enter the mailing address of the legal entity shown in line 1 above. This may be either a street address or a post office box number. It may differ from the actual location of the property. Include the city, state, and zip code.

LINE 2. DESCRIPTION OF THE PROPERTY. Report each lease or parcel on a separate report form. Fill in field, lease, and zone names, conforming to Division of Oil and Gas classifications.

LINE 3. PARCEL NUMBER. Enter the parcel number and tax rate area number, if known. If there has been a change in lease boundaries, describe the change on a separate sheet of paper and attach to this report.

LINE 4. TELEPHONE NUMBER. Enter the phone number of the person completing this form so that we may contact you if necessary.

LINE 5. Report individual well data by zone, using as many forms as necessary. Conform to Division of Oil and Gas well numbers and zone nomenclature. All data is for the last full calendar year.

LINES 6. thru 8. Report only nonassociated (dry) gas on this form. Associated (wet) gas is reported on the Oil and Dissolved Gas Production Report.

a. Producing Days refer to the number of days the well produced during the month.

b. Gas (MCF) refers to gross production or production sales in thousand cubic feet produced during the month. Check the block indicating whether you are reporting gross gas or gas sold. (Gross gas is total gas produced.)

c. Report water produced (Bbls.).

d. Pressures, both casing and tubing, should be shown monthly for producing gas wells. If a well is not on production during the month, shut-in pressures should be shown. All pressures are surface gauge pressures.

e. Deliverability refers to tests taken on a well during any month of the year either by the producer or by the purchaser. Report the average deliverability over the test period. If test is not over a five day period, explain under line 30, Remarks. If the test is not for an individual well, but for a group of wells, also explain under Remarks. Report only the latest deliverability test taken for the calendar year.

LINE 9. Enter the applicable section of the Natural Gas Policy Act for the well, such as "102."

LINE 10. Enter the last price received during December of the calendar year being reported for gas produced from this well or lease.

LINE 11. Enter the gas BTU for this well, or zone in this well, if reporting by zone.

LINE 12. Enter the proved reserves in millions of cubic feet for this well, zone, or lease (check proper box) as of December 31 of the calendar year reported. Enter according to the classifications of proved developed and proved undeveloped reserves. If the zone or lease boxes are checked, enter the wells included in the reserve estimate on line 30, Remarks. Proved reserves are those reserves which geological and engineering information indicate with reasonable certainty 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, e.g., capitalization rates, product prices and operation expenses.

LINE 13. Check the proper box to show the method used to calculate reserves. If you used some other method to calculate reserves, please explain under Remarks, line 30.

LINE 14. Enter in the respective space, the present contract rate-of-take in MCF/Day depending upon whether the rate is based on a percentage of re-

serves or deliverability. If the contract-rate-of-take is for a group of wells, so indicate under Remarks, line 30.

LINE 15. Enter the currently open perforated intervals in this well.

LINE 16. Enter the cumulative production of gas for this well, for the zone shown, as of December 31 of the calendar year reported. If you do not have accurate cumulative production, so indicate, showing the beginning date of the cumulative production reported. If data is not available by well, report by zone or lease and so indicate under Remarks, line 30.

LINE 17. Enter the last bottom hole shut-in pressure available for this zone in this well.

LINE 18. Lease Summary (heading). Do not report data on this line.

LINE 19. Report gas used on lease as fuel.

LINE 20. Report calendar year lease condensate production in gallons, and price per gallon in December.

LINE 21. Enter the pressure of the sales line into which you feed your produced gas.

LINE 22. Indicate the royalty rate percentages paid, both private and government.

LINE 23. If you checked "Government" on line 22, indicate whether you claim an exemption from property taxes for government royalties under section 107.2 or 107.3 of the Revenue and Taxation Code. Use the Remarks section, line 30, for further clarification, if necessary.

LINE 24. Enter the name of the purchaser of all of the gas sold from this lease.

LINE 25. Enter the expiration date of your gas sales contract.

LINE 26. Enter the date on which prices become renegotiable.

LINE 27. Basic Well Equipment (heading). This section is for reporting numbers of wells by category in the reporting unit (i.e., lease or parcel).

LINE 28. Other Production Equipment (heading). Report all production equipment on the property. Enter categories of equipment or, structures not listed under "Other." Use additional pages if necessary. Complete this section in full detail. For compressors show horse power, design, and current stages.

LINE 29. This section is to be used to report data for new wells, redrilled wells or reworked wells that require a notification on a "Notice of Rework" to the California Division of Oil and Gas. Reworks of interest to the Assessor are those which permanently alter the well or casing. Data furnished in this section should be the same as that used in making a company reserve estimate. Enclose copies of the following data for each new well redrill or rework completed during the year being reported.

a. The well completion summary and any subsequent rework history showing the current physical condition of the well.

b. The PG&E or company back-pressure test data form for the current producing zone(s) including an analysis of the gas.

c. One 2" = 100' scale IES log and a copy of the sonic, density or any other evaluation log run.

d. For directionally drilled wells, a directional survey.

DECLARATION BY ASSESSEE

The law requires that this production report, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a corporation, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a partnership, the declaration must be signed by a partner or an authorized employee or agent. In the case of a Limited Liability Company (LLC) the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The Assessor may at any time require a person who signs a production report and who is required to have written authorization to provide proof of authorization.

A production report that is not signed and executed in accordance with the foregoing instructions is not validly filed. The penalty imposed by section 463 of the Revenue and Taxation Code for failure to file is applicable to unsigned production reports.

The taxpayer may optionally file any other additional information that is germane to the assessment function such as geologic structure maps, estimates of water influx and, for new wells, estimated date of pipeline connection.

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