



# OIL & GAS

*renditions* ON-LINE

**THE OIL AND GAS RENDITIONS ONLINE PROGRAM** has been developed to assist the Kansas Oil and Gas operator in compiling the Oil or Gas Assessment Rendition required by each county on April 1<sup>st</sup> of each year. This program was created using the same tables and calculations that over 50% of County Appraiser with major oil or gas values currently use. It includes all the latest updates and tables as determined by the Kansas Department of Revenue Division of Property Valuation (PVD). PVD has approved the InfiniTec Oil and Gas Online renditions for use by all counties. County appraisers **MUST** accept renditions generated by the InfiniTec program.

This packet includes sample renditions from actual oil and gas leases in Kansas prepared for the 2008 tax year using the program. Names and locations have been changed for privacy.

## SAMPLES

- Page 2: **Exempt Oil Lease**. This example includes both a severance tax and property tax exemption. Notice how the Working Interest Valuation is zero. It also includes a TA well. Also note the 25% Working Interest Assessed Value for leases with less than 5 Bbls daily production.
- Page 3: **New Oil Well**. This is an example of a new lease. Notice the Annual Decline rate of 30% for new leases.
- Page 4 & 5: **OIL VS GAS COMPARISON** and **GAS VS OIL COMPARISON**. The next two renditions were used to compare a single lease with both oil and gas. This lease was filed in past years as an Oil lease, but as the oil production declined the gas production ratio increased to a point where it could be argued as either an oil or gas lease. Prior year production data was entered for both leases and the net result (Working Interest Assessed Value) were compared. Using InfiniTec software, the operator was able to determine that filing the lease as an OIL lease would result in \$150,794 LESS Assessed value. The operator could now make a determination as how to proceed with discussions with the county appraiser.
- Page 6: **GAS WITH SCH B**: This rendition was used by an operator to fully calculate two sets of scheduled values. First, the operator used an 18% historical decline rate. Second, as Schedule A must use actual production calculations, the operator used Column B (Owner) to show calculations for a more accurate expected 2008 production value. Using InfiniTec software, the operator was able to override the calculated Schedule A production values and thus able to generate a far more accurate and favorable Working Interest Assessed Value.











