



Oil and Natural Gas Regulatory Cost Recovery Schedule

Name _____ Account No. _____

Street _____ Period _____

City _____ State _____ ZIP code _____

There is an oil and natural gas regulatory cost recovery fee imposed on each owner of a well. The owner is responsible for paying the fee unless such owner designates a severer to pay the amount on the owner's behalf. The oil and natural gas regulatory cost recovery fee is not a tax.

If you own either an oil well or a natural gas well or both, you **must** complete this schedule. The only exception to the filing requirement is an exempt domestic well.

If as an owner you are not required to file the severance tax return (SV 3), you are still required to file this form.

		A	B	C
1.	Severance tax (sum of lines 7 and 8 from severance tax return, SV 3)			\$
2.	Oil calculation (barrels extracted multiplied by \$.10)	_____ bbl x \$.10	\$	
3.	Natural gas (mcf extracted multiplied by \$.005)	_____ mcf x \$.005	\$	
4.	Total oil and natural gas (add lines 2 and 3, Column B)			\$
5.	Severance tax plus total oil and natural gas (line 1 plus line 4)			\$
6.	Total number of wells multiplied by \$15	_____ wells x \$15		\$
7.	Subtotal (greater of line 5 or line 6)			\$
8.	Oil and gas regulatory cost recovery fee (line 7 minus line 1)			\$
9.	Interest on late payment (see instructions)			\$
10.	Total amount due (line 8 plus line 9)			\$

Definitions

“Severer” means any person who actually removes the natural resources from the soil or water in this state.

“Owner,” unless referring to a mine, means the person who has the right to drill on a tract or drilling unit, to drill into and produce from a pool, and to appropriate the oil or gas produced therefrom either for the person or for others, except that a person ceases to be an owner with respect to a well when the well has been plugged in accordance with applicable rules adopted and orders issued under this chapter. “Owner” does not include a person who obtains a lease of the mineral rights for oil and gas on a parcel of land if the person does not attempt to produce or produce oil or gas from a

well or obtain a permit under this chapter for a well or if the entire interest of a well is transferred to the person in accordance with Ohio Revised Code section 1509.31(B).

If you do file a severance tax return (SV 3), please submit this schedule **with** your severance tax return.

I declare under penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and, to the best of my knowledge and belief, is a true, correct and complete return and report.

Signature _____

Date _____

Instructions

Exempt Domestic Well (prior to July 1, 2010):

Ohio Revised Code section 5749.03 provides that natural resources used on the land from which removed by the severer as a part of the improvement or for use in his homestead are exempt from the severance tax and the cost recovery fee up to yearly cumulative market value of \$1,000.

Exempt Domestic Well (after July 1, 2010):

If you obtain a well that becomes an exempt domestic well on and after July 10, 2010, the oil and gas regulatory cost recovery fee shall be \$60 to be paid to the Ohio Department of Natural Resources, Division of Mineral Resources Management on the first day of July of each year. If you fall into this category, please contact the Division of Mineral Resources Management.

Line 1 – Add together the amounts in line 7, Column 4 and line 8, Column 4 on your severance tax return (SV 3) and enter the total on line 1.

Line 2 – Enter the number of barrels of oil extracted in Column A and multiply it by \$.10. Enter the amount in Column B of line 2.

Line 3 – Enter the mcf of natural gas extracted in Column A and multiply it by \$.005. Enter the amount in Column B of line 3.

Line 4 – Add line 2 and line 3, Column B. Enter the total in Column C of line 4.

Line 5 – Add line 1 and line 4. Enter amount in Column C of line 5.

Line 6 – Enter the number of wells subject to the fee in Column A and multiply the number of wells by \$15. Enter the total in Column C of line 6.

Line 7 – Enter the greater of line 5 or line 6 in Column C of line 7.

Line 8 – Subtract line 1 from line 7. This is your oil and natural gas regulatory cost recovery fee amount.

Line 9 – If your liability is not paid on or before the due date, you are subject to interest from the date the schedule was due until the date the schedule was actually received by the Ohio Department of Taxation. The interest rate is determined on a calendar year basis and can change from year to year. Please refer to our Web site at **tax.ohio.gov** for the current interest rate. An example of an interest calculation is as follows:

Amount due: \$5,000
Schedule due: 2/15/10
Schedule filed: 4/6/10
Days late: 50
Interest rate: 4% (rate for year 2010)

$$\frac{50 \text{ days}}{365 \text{ days}} \times 4\% \times \$5,000 = \$27.40 \text{ interest}$$

Line 10 – Add together the amounts in lines 8 and 9, Column C. This is the total amount you owe. If you file a severance tax return (SV 3), enter this amount on line 14 of the SV 3.

If you do not file a severance tax return, make remittance in the amount payable on line 10 to the Ohio Treasurer of State and mail the cost recovery schedule and payment to Ohio Department of Taxation, Excise Tax Section, P.O. Box 530, Columbus, OH 43216-0530.

Penalty Provision: Any person who fails to file a cost recovery schedule or pay the cost recovery fee as required may be subject to an assessment that includes a penalty of five (5) percent per month of the amount of the unpaid fee due, to a maximum penalty of twenty-five (25) percent.

If you have any questions, please call the Excise Tax Section at (614) 466-7371.