INSTRUCTIONS

Form H-14: Enhanced Oil Recovery Reduced Tax Annual Report

Reference: Statewide Rule 50

1. Who Files Form H-14

Operators of enhanced oil recovery projects who have received 1) project and area designation approval and 2) positive production response certification under the EOR reduced severance tax program are to file Form H-14, Enhanced Oil Recovery Reduced Tax Annual Report, every year the project remains eligible for the reduced tax rate.

2. When to File

This form is to be filed within 30 days of the anniversary of the certification date of positive response and annually thereafter.

3. Where To File

Send the H-14 and attachments to:

The Railroad Commission of Texas Oil and Gas Division, Technical Hearings P.O. Box 12967 Austin, Texas 78711-2967

4. Lease Information (No. 12 on front)

The active well count is to reflect the actual number of injection and producing wells at the end of the report period shown in No. 8. If more than one fluid was injected, identify each fluid and give the annual volume injected of each. In the qualified oil production column, show only that volume qualifying for the EOR reduced tax rate.

5. Report Attachments

a. Lease and project production injection data. Attach the following information, in both graphic and tabular form, on a monthly basis for each lease in the project and, for multi-lease projects, for the project as a whole.

The period to be covered is from the five years preceding project and area designation (Form H-12) approval through to the present. If any data is unavailable, attach a note of explanation. For expanded projects, the production forecasted from the approved decline rate must be included.

Required information:

- oil production
- volumes and types(s) of fluid(s) injected
- gas production
- number of producing wells
- water production
- number of injection wells
- b. Additional lease information sheet for additional leases, if necessary.
- c. If injection is not continuous or if there is a variation in the types of fluid injected, attach a sheet giving appropriate injection data (sequence of injections of specified fluids with volumes).

Additional data may be required for some applications. You will be notified if this is required.