

New Electronic Form 8 Oil & Gas Conservation Levy Training

Operator Meeting

January 11, 2022



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

Chris Eisinger & Teri Ikenouye

Electronic Form 8: Timeline

- ❑ All Form 8s and associated levy payments for 4th Quarter 2021, due March 1, 2022, **MUST** be filed using the electronic form and electronic payment system. No paper forms or paper checks will be accepted.
- ❑ Payers will be able to submit electronic Form 8s and make associated payments beginning early February.
- ❑ Paper checks received after February 14th will not be processed.

General Guidelines

- The levy is to be reported and submitted quarterly on the COGCC Form 8.
- There is no waiver for minimum amounts due.
- Levy payments calculated on an operator/product basis.
- Only sales from production of wells in Colorado are subject to the levy

- The formula for levy calculation is:
$$(\text{Total } \$ \text{ Value Sold} - \text{Exempt } \$ \text{ Value}) \times (\text{Assessed Rate}) = \text{Levy } \$ \text{ Due}$$

- Interest of 3% is due on late filings AND adjustments
- Interest formula:
$$(\text{Total Levy Due} \times .03) \times (\# \text{ Months Late}) = \text{Interest due}$$

- **AUTOMATIC** calculations on electronic Form 8

IF this is your first time using COGCC's electronic forms you must submit a Form 1A . . .

To establish login credentials (username and password) for the COGCC electronic form system as a Designated Agent

1. If already registered with COGCC, submit a **Form 1A**

- Necessary for all individuals - whether you're associated with the operator, first purchaser, OR a third-party contractor
- Individuals that prepare and submit levy FOR multiple operators will need to have EACH operator add you to their designated agent list via separate Form 1As.
- Individuals that prepare and submit levy ON BEHALF OF one or more operators (such as a first purchaser) only need to establish credentials as a designated agent via a single Form 1A.

2. If not already registered with COGCC, please see **Form 1** and **Form 1A** for registration guidance

3. After the **Form 1A** is submitted, processed, and approved, you will receive an email with your login credentials

4. Login to electronic form system using your new credentials



Form 1A - Designation of Agent

Assuming you are already registered with COGCC . . .

- 1) Complete agent company name and address
- 2) **Leave the principal agent information blank**
- 3) Complete middle section with designated agent information (include '8' for forms authorized to submit) and check 'Add' box
- 4) Complete bottom section with company name, operator\payer number, and authorizing signature
- 5) Email complete and **signed** Form 1A to Deb Bracey (deborah.bracey@state.co.us)

! IF you are an individual who pays ON BEHALF OF multiple operators (e.g. first purchaser), only ONE Form 1A needs to be submitted.

! IF you are an individual who pays FOR multiple operators (e.g. third-party contractor), a separate Form 1A needs to be submitted by EACH operator you work with. You may also need to submit another Form 1A INITIALLY to establish yourself as an agent with your own third-party company. Please reach out to Deb Bracey if you have questions.

For detailed Form 1A guidance:

https://cogcc.state.co.us/documents/reg/Forms/instructions/Form_Instructions/Form_1A_Instructions_20210416.pdf

COGCC Staff Contact: Deb Bracey (deborah.bracey@state.co.us)

FORM
1A
Rev 12/04

[Click here to reset form](#)

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303)894-2100 Fax:(303)894-2109

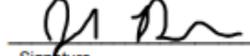
FOR OGCC USE ONLY

DESIGNATION OF AGENT

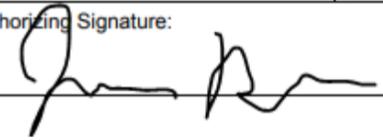
Any party acting as an agent of an owner(s) of the lease or well shall have a valid Form 1A on file with the Commission. Individual access to online form submission will not be activated until this form is received, via mail or fax, at the address above. This designation shall remain in effect until written notice is provided by the owner to terminate the agent or representative. Approved persons to submit documents as employees of the company should be listed on Form 1A, no agent information required.

Agent Company Name: <u>Company A</u>			
Address: <u>1234 Somewhere St</u>		City: <u>Denver</u>	State: <u>CO</u> Zip: <u>80203</u>
A Principal Agent serves as the representative of the operator, to accept and be served with notices from the Oil and Gas Conservation Commission, or from other persons authorized under the Oil and Gas Conservation Act of the State of Colorado. Furthermore, the Principal Agent agrees to immediately report in writing, all changes of address of the agent, and any termination of the agent's authority, and in the latter case, the designation of a new agent or agents shall be immediately made.			
Name of Principal Agent:	Signature of Principal Agent:	Title of Principal Agent:	Action: <input type="checkbox"/> Add <input type="checkbox"/> Modify <input type="checkbox"/> Delete
Phone:	Fax:	Email:	

The below listed individuals are designated as representatives, authorized to sign and submit forms on behalf of the operator:

<u>John Doe</u> Print Name	 Signature	<u>Accountant</u> Title	Action: <input checked="" type="checkbox"/> Add <input type="checkbox"/> Modify <input type="checkbox"/> Delete
<u>(303) 123-4567</u> Phone	<u>john.doe@state.co.us</u> Email	<u>8</u> Forms Authorized to Submit (ALL or Form #s)	
 	 	 	Action: <input type="checkbox"/> Add <input type="checkbox"/> Modify <input type="checkbox"/> Delete
 	 	 	Action: <input type="checkbox"/> Add <input type="checkbox"/> Modify <input type="checkbox"/> Delete

Pursuant to the Rules and Regulations, and Rules of Practice and Procedure of the Oil and Gas Conservation Commission of the State of Colorado, the below-signed producer, operator, transporter, refiner, gasoline or other extraction plant operator, or initial purchaser who is conducting oil and gas operations in the State of Colorado, does hereby designate the above-listed Agent Company and/or representative(s) as authorized to sign on behalf of the operator.

Authorizing Company Name: <u>Company B</u>		OGCC Operator Number: <u>9999</u>	Approval Date: <u>01/11/2022</u>
Print Authorizing Name: <u>Jane Doe</u>	Authorizing Signature: 	Authorizing Title (must be an officer): <u>Senior Manager</u>	

https://cogcc.state.co.us/documents/reg/Forms/PDF_Forms/form1a.PDF



Electronic Form 8 Workflow Demo

View video demonstration in YouTube recording for the January 11, 2022 operator meeting:



Electronic Payment System (EPS)

- ✓ Payments accepted via electronic check only.
- ✓ Payment will be required at the time of Form 8 submission.
- ✓ Receipts will be generated and emailed to payer at time of payment.
- ✓ IF error in payment on first filing, a corrected Form 8 should be filed.
- ✓ Overpayments will be processed by COGCC staff and paper refund checks mailed to recipient.



Electronic Form 8 - Additional Information

- Interest will automatically be calculated on late filings with due dates strictly enforced

217. FORM 8, OIL AND GAS CONSERVATION LEVY

- a. On or before March 1, June 1, September 1, and December 1 of each year, every producer or purchaser, whichever disburses funds directly to each and every person owning a working interest, a royalty interest, an overriding royalty interest, a production payment, and other similar interests from the sale of oil or natural gas subject to the charge imposed by § 34-60-122(1)(a), C.R.S., will file a Form 8, Oil and Gas Conservation Levy with the Director and remit the levy payment. The Form 8 will show, by Operator, the volume of oil, gas, or condensate produced or purchased during the preceding calendar quarter, including the total consideration due or received at the point of delivery. No Form 8 will be required when the charge imposed is zero mill (\$0.0000) per dollar value. The levy will be an amount fixed by order of the Commission.

1st Quarter Levy - Due June 1

Reports sales in January, February and March

2nd Quarter Levy - Due September 1

Reports sales in April, May and June

3rd Quarter Levy - Due December 1

Reports sales in July, August and September

4th Quarter Levy - Due March 1

Reports sales in October, November and December

- New product categories include Condensate, Natural Gas Liquids (NGLs), and Helium
- Regarding exemptions, if 'Other' is selected, a brief description is required (e.g. AG Bank, Owned by City, Special Tax District, etc.)

Questions?

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Deb Bracey (Form 1A)
deborah.bracey@state.co.us



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