Regulation (39-) 29-102(3)(a).

Gross income for oil and gas is the fair market value at the wellhead. The fair market value is determined by the actual transaction price or the value computed for Colorado and federal income tax depletion purposes. If different values are determined, the higher of the two shall apply.

Gross income for this purpose shall include, but not be limited to, income received in the form of royalties or other production payments received by persons having an "economic interest" for depletion purposes. See sections 611, 612, and 613 and the regulations promulgated thereunder of the Internal Revenue Code of 1954 for a definition of gross income for depletion purposes.

Regulation (39-) 29-102(3)(b).

The gross income is the fair market value of the ore immediately after its removal from the mine. The fair market value is the price at which the ore would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. Gross income from the ore shall not include any value added subsequent to mining. "Ore" as used in this regulation is defined as the crude material obtained without any handling or processing other than sorting of the lumps.

Regulation (39-) 29-102(4).

Gross proceeds from the sale of oil shale severed from which shale oil has not been extracted will be computed based on first sales price as provided by Section 39-29-102(4). Gross proceeds from the sale of shale oil where such is processed by a centralized facility will be determined in the same manner.

Direct and indirect expenditures of processing the oil shale after mining are to be applied on the basis of generally accepted accounting principles for any given period. Excess cost of one taxable year cannot be applied to another taxable year.