DO NOT SEND

DR 0021PD (07/28/15)
COLORADO DEPARTMENT OF REVENUE
Denver CO 80261-0006
www.TaxColorado.com

Instructions For Preparing Severance Tax Schedule Form DR 0021PD

The DR 0021PD is an informational schedule required by the Department of Revenue to document the gross income and deductions from properties where the taxpayer is the producer and/or operator; and any take-in-kind income. This form details the transportation, processing and manufacturing costs deducted from gross income.

Column

(A) Source of Income. Enter in column (A) the well, tract, lease or field name that identifies the revenue source. All well operators must list income on a well-by-well basis. If you are filing from information on withholding DR 0021W, enter the name of the payor. When claiming a stripper well exemption for production from a particular well, you must record each well on one line, or provide detail on a well basis with the return. In other cases the well, tract, lease or field identifier may be used as you desire. If gross income includes any take-in-kind income, please list separately on a well-by-well basis.

(B) API Number. Enter in column (B) the American Petroleum Institute (API) well number of the income source.

(C) Type of Ownership. Indicate in column (C) whether your ownership is a royalty interest (RI), working interest (WI), or any take-in-kind (TIK).

(D) Percentage of Ownership. Enter in column (D) your percentage of ownership.

Production. If you are a producer or own a working interest, or claim stripper well exemptions, enter:

(E) Barrels of Oil Gross. Enter in column (E) your share of gross barrels of oil produced. Include both taxable and exempt production.

(F) Barrels of Oil Stripper Oil Exemption. Enter in column (F) that part of the gross barrels of oil that is from a qualified Colorado stripper oil well. The oil production from any well that produces 15 barrels or less of crude oil per day for the average of all producing days in your tax year is exempt from severance tax. (Records to prove the production on a single stripper well basis are necessary to establish your right to this exemption.)

(G) MCF Gas Gross. Enter in column (G) your share of gross natural gas, coalbed methane, and carbon dioxide produced in thousand cubic feet.

(H) MCF Gas Stripper Gas Production. Enter in column (H) that part of the gross MCF gas that is from a qualified Colorado stripper gas well. The gas production from any well that produces 90,000 cubic feet or less of gas per day for the average of all producing days in your tax year is exempt from severance tax. (Records to prove the production on a single stripper-well basis are necessary to establish your right to this exemption.)

(I) Transportation. Enter in column (I) the amount of transportation costs the taxpayer is claiming as a deduction from gross income.

(J) Processing and Manufacturing. Enter in column (J) the amount of processing and manufacturing costs the taxpayer is claiming as a deduction from gross income.

(K) Ad Valorem Tax. Round all amounts to whole dollars. Based on your accounting method (cash or accrual basis), enter in column (K) your share of ad valorem tax paid or accrued to Colorado local governments in the taxable year on oil and gas production. **Do not include ad valorem tax on buildings, improvements, or equipment. Also, do not include ad valorem tax related to exempt stripper-well production.** A percentage of ad valorem tax is allowed as a reduction to the severance tax.

(L) Gross Income. Round all amounts to whole dollars. **Based on your accounting method of cash or accrual basis,** enter in column (L) your share of the gross income **received or accrued** on oil or gas production. **Do not include gross income from exempt production from stripper wells.** Report the gross amount of oil shale royalties before any deductions.

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Detail Information For Producers
(Attach to DR 0021)

DR 0021PD Instructions: If a taxpayer elects to enter information for a unit or communization agreement on the DR 0021PD instead of well information, they must include a supplemental schedule detailing the individual well information including well name, API well number, production volumes, exempt production volumes, royalty or working ownership interest, ownership percentage gross value, ad valorem tax and gross income.
If more space is required, use additional copies of this form and be sure to list how many pages are used (*Example: page 1 of 5*).

For tax year beginning (MM/YY)	Ending (MM/YY)	Page	Of	**Please round to whole dollars.**
Taxpayer's Name		SSN or Colorado Account Number		

(A) Source of Income: Well, Lease, Field or Payor	(B) API Number	(C) Royalty, Working, or Take-in-Kind Interest	(D) % of Ownership	Production				(I) Transportation	(J) Processing and Manufacturing	(K) Ad Valorem Tax	(L) Gross Income
				Barrels of Oil		MCF Gas					
				(E) Gross	(F) Exempt	(G) Gross	(H) Exempt				
			Totals								