

REPORTING INSTRUCTIONS FOR THE VOLUME AND VALUE FORM

This form is for reporting amounts and dispositions of oil and gas produced, destination values (calculated in accordance with 15 AAC 55.151(b)(1)) of oil and gas produced, and transportation costs and adjustments for oil and gas produced, as required under 15 AAC 55.520(f). Items will be reported at either the Unit or PA level.

A producer and explorer that produces oil or gas during a month must file the EMR Volume and Value Form. All products (Oil, NGLs, and Gas) are to be reported on the form.

Header:

All header descriptive elements must be filled in for the report to be complete.

Report Type: The "Report Type" will always be "T1" to indicate it is a Tax Division Report.

Report Code: The "Report Code" will always be "E2" for the "EMR 2 Report"

Filing Type: The "Filing Type" will always be "R" for a "Regular".

Customer ID Number: No response required. Reserved for future use.

Revision Number: Report the revision number of the report you are filing. This will normally be "00" for an original or single filing of a report.

Production Month: Report the calendar month and the calendar year (08012011) in which the reported activity occurred.

Report Month: Report the calendar month and the calendar year (09012011) in which you will be filing the report.

Control Number: No response required. Reserved for future use.

Authorized Date: Report the month, day and year on which the report is authorized by the authorized signer.

Federal EIN Number: Report your company federal EIN number.

Company Name: Report your company name.

Email Address: Report the email address of the person authorizing the report.

Address1: Report the first line of your company mailing address.

Address2: Report the second line (if applicable) of your company mailing address.

City: Report the city of your company mailing address.

State: Report the state of your company mailing address.

Zip: Report the zip code for your company mailing address.

Preparer: Report the full name of the person completing this report.

Preparer Phone Number: Report the work phone number of the preparer of the report.

Preparer Email: Report the email of the preparer of the report

Authorized Signature (Code): No response is required. Reserved for future use.

Authorized Signature (Printed Name): Report the name of the person authorizing the report.

Phone Number: Report the phone number of the person authorizing the report

Fax Number: Report the fax number of the person authorizing the report.

Data Lines:

Line Number: Report a sequential line number for each data line reported. All line numbers must be sequential with no duplicate line numbers on the report.

NOTE: The example shows blank lines with a line number separating data by groups. This is done for visual relief of people reading the report. It is not necessary when completing an actual report. If you leave a blank line to separate groups of data, be sure to number the line sequentially.

Unit: Report the Unit code from the accompanying list to indicate the Unit you are reporting.

Participating Area (PA): Report the Participating Area code from the accompanying list to indicate the PA you are reporting. If the amount to be reported is for a lease or property not in an existing PA, a project identifier must be requested before application.

Product Code: The three product types reported on this form are oil (O), NGLs (N), and dry gas (D). This form makes no distinction between oil, condensate, or load diesel: these items are reported as oil (O). NGLs should be reported separately only to the extent NGL's are measured separately from oil.

Disposition Code: Report the appropriate disposition code for the item being listed.

Allocation Code: Report the appropriate allocation code for the item being reported. The allocation code reported for volume items will always be "WIO". The allocation codes used for other items (destination value, transportation costs, and other

adjustments) will in most cases follow the allocation codes used in royalty reporting.

Value and Amount: Destination values, transportation costs and adjustments for oil and gas produced are to be reported under Value, and amounts and dispositions of oil and gas produced are to be reported under Amount.

Volume Items:

The following items are to be reported by PA. If the amount to be reported is for a lease or property not in an existing PA, a project identifier must be requested before application.

1. Taxable volumes
 - a. Reported for all product types (O, N, D)
2. Taxable oil volume sold and not shipped in TAPS
 - a. Includes taxable volumes sold at PS1 or upstream of PS1
3. Taxable oil volume sold and shipped in TAPS
 - a. Includes taxable volumes sold downstream of PS1
4. Taxable volumes shipped in TAPS and not subject to marine transportation
 - a. Includes taxable volumes shipped in TAPS and sold in Valdez or upstream of Valdez
5. Taxable oil volumes shipped in TAPS and subject to marine transportation
6. Taxable gas sales – in state consumption
7. Taxable gas sales - export
8. Private royalty volumes per AS 43.55.011(i)
 - a. Reported for all product types (O, N, D)

Value Items:

1. Destination Value calculated in accordance with 15 AAC 55.151(b)(1)
2. Transportation costs and adjustments for oil and gas produced
 - a. These transportation costs and adjustments may include marine costs, TAPS tariff, quality adjustments, losses, and other items.
 - b. The allocation codes used for value items will in most cases follow the allocation codes used in royalty reporting. DOR will prescribe new allocation codes when necessary.
 - c. Values are reported by unit. The values will be a weighted-average of the PAs. Weighted average per barrel or per mcf figures for the period can be derived in one of two ways:
 - a) Total applicable values for the period divided by total applicable volumes (for the appropriate values and volumes see instructions below on volumes for weighed averaging) **or**
 - b) Any other methodology approved by the Department that is consistent with the methodology used for monthly reporting.

- d. Values for weighted averaging the destination value should equal the destination value under 15 AAC 55.151. Volumes for weighted averaging should equal volumes sold or consumed at a refinery or plant owned by the producer.
- e. Values for weighted averaging marine costs should equal total payments for marine shipping. Volumes for weighted averaging marine costs should equal volumes subject to marine shipping
- f. Values for weighted averaging TAPS costs should equal total payments for TAPS pipeline transportation. Volumes for weighted averaging TAPS costs should equal volumes shipped on TAPS
- g. Values for weighted averaging other pipeline costs should equal total payments for other pipeline transportation. Volumes for weighted averaging other pipeline costs should equal volumes subject to pipeline transportation.
- h. Values for quality adjustments should equal net payments or receipts for quality bank adjustments. Volumes for weighted averaging quality adjustments should equal volumes delivered.

Note:

A generic example of a completed EMR volume and value report is included in the instructions. The disposition codes included in the example are dummy codes used as only an example. Disposition and allocation codes may change before the form is finalized.