

# FORM STC 12:35

## WEST VIRGINIA OIL AND GAS PRODUCER/OPERATOR RETURN INSTRUCTIONS

**PLEASE NOTE: THESE INSTRUCTIONS ARE TO ASSIST YOU IN THE PREPARATION OF THE TAX RETURN. THEY ARE NOT A SUBSTITUTE FOR TAX LAW AND REGULATIONS.**

THIS RETURN MUST BE COMPLETED FOR **EACH** WELL. ONLY ONE WELL SHOULD BE REPORTED ON A SINGLE RETURN. **THIS RETURN IS DUE ON OR BEFORE THE FIRST BUSINESS DAY OF AUGUST.** Your failure to file this return in a timely manner will result in an estimate of your working interest value. In the event no previous year value is on record, a value will be estimated based on any information the Tax Division can gather or infer concerning the production of the well. (See West Virginia Code § 11-3-10 for further information concerning failure to file this return.)

PRODUCER NAME	Please provide the company name or the name of the producing company. If you have sold or are no longer operating any well in any of the accounts, please identify the name and address of the new producer and the date on which the well was transferred.
PRODUCER CODE	Please provide the producer code assigned to you by the state of West Virginia. Should you not know your producer code, please email or call the Property Tax Section for assistance.
ADDRESS, CITY, STATE, ZIP	Please provide the company's complete mailing address.
DBA, ATTN, AGENT	If you are acting as agent for the producer/operator, please provide the agent company's name.
PHONE	If the office has questions regarding the filing of your return, please provide the telephone number of a contact.
EMAIL	Please supply an email address of the person who can answer questions about the data on the return.

### SCHEDULE 1: WELL/LEASE INFORMATION

COUNTY NAME	Please identify the name of the county in which this parcel/lease is located (or taxed).
COUNTY NUMBER	Please provide the 2 digit county code as used by the Property Tax Section. <b>DO NOT USE DEP COUNTY CODES.</b> Should you need a list of the county codes this office uses, please email or call the Property Tax Section for assistance.
WELL/LEASE NAME	Please provide the well name/lease name or unique identifier that is specific to this property.
NRA #	Please provide the unique Natural Resources Account (NRA) number that has been assigned to you well by the Property Tax Section. <b>PLEASE NOTE NRA NUMBERS THAT WERE PREVIOUSLY REPORTED WITH MULTIPLE WELLS ON A SINGLE NRA NUMBER WERE CHANGED IN TAX YEAR 2022.</b> Should you need a list of your current NRA numbers, please email or call the Property Tax Section. For wells that were began production in the calendar year being reported, the NRA number will be a ten (10) digit number created as follows: TD2025API# (The first 2 digits being the tax district, the next 4 being the tax year (2025) and the last 4 being the last four digits of the API number.)
API #	Enter the ten (10) digit American Petroleum Institute (API) well number.

## SCHEDULE 2: PRODUCTION INFORMATION

Complete this section for the Previous calendar year.

For example, the Tax Year 2025 form, sent on August 1, 2024, will reflect the well data for the calendar year 2023.

1. WELL STATUS	<p>Check the status of the well as</p> <p>(A) Active  (P) Plugged prior to July 1 of the current year  (S) Shut in or volumes not sold for the entire past calendar year  (E) Enhanced for an oil well involved in enhanced recovery  (Z) Horizontal Marcellus/Utica  (L) Horizontal other than Marcellus/Utica or Coalbed Methane  (M) Vertical Marcellus/Utica  (C) Vertical Coalbed methane  (B) Began production after being shut-in the previous year  (F) Flat rate royalty  (H) Home use ONLY (no income reported or royalties paid)</p>
2. IF PRODUCING NGLS, SELECT ALL THAT APPLY	<p>If producing NGLS, indicate which type of NGLS are being produced</p> <p>Ethane  Propane  Butane  Isobutane  Pentane</p>
3. INITIAL PRODUCTION DATE	List the initial year that this well began producing. If unavailable or unknown, leave blank.
4. PRODUCING FORMATION/ PLAY	<p>Please provide the 2-3 digit code found in the variables for all producing formation(s), or subsurface strata from which this production occurred. If Marcellus, list whether horizontal or vertical. (Line 1: Z or M respectively) <b>FAILURE TO FILE THIS INFORMATION WILL RESULT IN THE LOWEST DECLINE RATE BEING USED, THUS PRODUCING A HIGHER APPRAISAL. RETURNS NOT NOTED WILL BE ASSUMED TO BE VERTICAL.</b></p>
5. TOTAL BARRELS OF OIL OR MCFS OF GAS OR BARRLES OF NGLS	<p>Under the OIL Column, list the total rounded production in BBLs for each identified well. Under the GAS Column, list the total rounded production in MCF for each identified well. <b>DO NOT USE DECIMALS.</b></p>
6. TOTAL RECEIPTS PER RESOURCE*	Under each column, for the indicated resource, list the total gross receipts received (field line receipts) for the calendar year. <b>ROUND TO NEAREST WHOLE DOLLAR.</b>
7. WORKING INTEREST RECEIPTS PER RESOURCE*	Under each column, for the indicated resource, list the working interest receipts received for the calendar year (total receipts minus royalties/overriding royalties paid). <b>ROUND TO NEAREST WHOLE DOLLAR.</b>
8. TOTAL EXPENSES PER RESOURCE	Under each column, for the indicated resource, list the total expenses for the calendar year. <b>ROUND TO NEAREST WHOLE DOLLAR.</b>
9. ROYALTY INTEREST RECEIPTS PER RESOURCE	Under each column, for the indicated resource, list the royalty interest receipts paid for the calender year. <b>ROUND TO NEAREST WHOLE DOLLAR.</b>
10. TOTAL WORKING INTEREST FROM SCHEDULE 2	Total amount of all working interest reported on schedule 2. Must be the sum of all 3 columns listed on line 7.
11. TOTAL ROYALTY INTEREST FROM SCHEDULE 2	Total amount of all royalty interest reported on schedule 2. Must be the sum of all 3 columns listed on line 9.
12. TOTAL WORKING INTEREST FROM SCHEDULE 3	Combined total of all working interest(s) reported on all pages of the schedule 3.
13. TOTAL ROYALTY INTEREST FROM SCHEDULE 3	Combined total of all royalty interest(s), overriding royalty interests, and flat rate royalty interests reported on all pages of the schedule 3.

**\*DO NOT DEDUCT ANY OPERATING EXPENSES OR ANY DEDUCTIONS CLAIMED ON SEVERANCE, INCOME AND/OR PROPERTY TAX, OR OTHER RETURNS. BE SURE THAT YOU ARE REPORTING ALL PRODUCTION FROM YOUR WELL. THIS INCLUDES ALL BY-PRODUCTS SUCH AS PROPANE, BUTANE, ETC.**

### SCHEDULE 3: . WORKING INTEREST, ROYALTY, AND OVERRIDING ROYALTY OWNERS

OWNER(S) NAME(S)	Indicate the recipient of the working interest, royalty or overriding royalty income in alphabetical order. <b>In instances of more than one working interest partner, list individually only if a separate tax ticket is requested.</b> NOTE: If well is plugged or shut-in and no income was received, list royalty owners only and their decimal interest.
ADDRESS	Give the current mailing address for those receiving income from this property.
OWNER CODE	Please provide an owner code. Every owner should have an owner code that is consistent across all wells. <b>Owner codes are to be specific to the owner, not the well.</b>
LINK CODE	Indicate: <ul style="list-style-type: none"><li>• overriding royalty interest with "OR";</li><li>• royalty interest with "RI";</li><li>• working interest as "WI".</li></ul> Any interest not coded will be assumed to be a royalty interest.
DECIMAL INTEREST	Indicate the decimal interest each party owns. NOTE: Working, royalty and overriding royalty interest should total 1.0 unless flat rate royalties are involved.
INCOME	Report the gross monies for the working, royalty or overriding royalty interests for the calendar year. <b>NOTE: Round to nearest whole dollar.</b> Total income should equal total oil and/or gas receipts on Schedule 2. Any discrepancies between the amounts will be attributed to the producer. Any return that indicates royalty income was paid by a third party, unknown or not listed will have that income be attributed to the producer. No exceptions will be made. If the royalties are paid by another entity, this data is still required to be submitted with your return

### ADDITIONAL INSTRUCTIONS

All wells listed on the enclosed printout are required to be reported by your company unless they were sold prior to July 1, 2024. If sold, you must reply under separate cover listing NRA # and to whom sold (including complete name and address). If this data is not received and no return is filed by the new company, those accounts will be treated as having not properly filed a return and the tax ticket may be assigned to your company. In addition, any new wells acquired must be reported. If wells were sold prior to July 1, 2024 total calendar year 2023 production data must be supplied to the reporting entity for full year reporting.

The producing formation determines the nature of the future income stream (estimated life of the well) and, therefore, is a critical factor within the valuation process. Failure to provide this information will result in the use of lowest decline rate, thus yielding the highest value.

**You must provide duplicate copies of paper return(s) to appropriate county assessors' office.** Do not provide the data in another format unless requested by the county assessor.

If the royalties are not paid by you but are paid by another company, you must acquire this data from the other company before submission of your return. The Division will attribute royalties listed as paid by a third party, unknown or not given to the producer. No exceptions will be made.

Any actual revenues and expenditures for first year wells must be submitted with the annual return due August 1, 2024

After having carefully read all instructions, please **sign and notarize**. Note: One notarization for all returns is sufficient. Also, please make any name or address changes on label below notarization.

Should you have additional questions or comments, please feel free to contact the Oil and Gas Unit at (304) 558-0781 or [PTDOILGAS@wv.gov](mailto:PTDOILGAS@wv.gov)

**Failure to file this return in an accurate and timely manner outlined in these instructions will result in rejection of the return.**