

BEFORE THE STATE BOARD OF EQUALIZATION

FOR THE STATE OF WYOMING

IN THE MATTER OF THE APPEALS OF )  
BP AMERICA PRODUCTION CO. ) Docket Nos. **2011-59** (Carbon)  
BP AMERICA PRODUCTION CO. ) **2011-60** (Sweetwater & Uinta)  
BP AMERICA PRODUCTION CO. ) **2011-61**(Lincoln, Sweetwater &  
) Uinta)  
BP AMERICA PRODUCTION CO. ) **2011-62**(Carbon & Sweetwater)  
BP AMERICA PRODUCTION CO. ) **2011-63** (Sublette)  
BP AMERICA PRODUCTION CO. ) **2011-64** (Carbon & Sweetwater)

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HEARING ORDER (TIK)

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**THESE MATTERS** having come before the State Board for scheduling upon its own motion, and the Board having reviewed the files herein pursuant to *Rules, Chapter 2, §6(a)(i), Wyoming State Board of Equalization*, and being otherwise advised in the premises;

**IT IS HEREBY ORDERED** these matters shall come for hearing before the Board in the order listed in the caption, the first hearing to commence **at 9:00 a.m., March 1, 2012**, in Room 1722, State Board Room, Herschler Building, Cheyenne, Wyoming. All subsequent hearings shall commence at the conclusion of the matter preceding it in the caption listing. The Board shall conduct the hearings in this manner until all matters listed in the caption have been heard. **If the parties to any matter determine the discrepancy which is the basis of the appeal has been resolved, they may request the Board dismiss the appeal without prejudice and vacate the hearing order as it applies to the specific appeal. A dismissal without prejudice does not constitute a full and final decision on the merits and would not necessarily act as a bar to future amendments of volume or value.** In the event some but not all matters are dismissed without prejudice on or before the hearing date, the remaining matters shall be heard in the order in which they appear listed in the caption. The Board would emphasize the purpose of having full evidentiary hearings in these Take-in-Kind appeals is to resolve all **volume and value** discrepancies. The legal principles of res judicata and collateral estoppel may apply to the Board's final decisions, and no further amending of volume or value may be allowed.

**IT IS FURTHER HEREBY ORDERED:**

**A. OFFICIAL RECORD OF HEARING:** The record of these hearings shall be made by digital recording, however, any party may, at its option, make arrangements for the appearance and payment of a court reporter.

**B. INITIAL EXCHANGE OF EXHIBITS AND WITNESS LISTS:** The respective parties shall make an initial exchange of proposed exhibits marked as appropriate 100 through 199 by Petitioner, 200 through 299 by Joined Operator, and 500 through 599 by the Department of Revenue, and identify the names and addresses with a brief description of expected testimony of each possible expert witness not later than **December 2, 2011**. In the event other parties are joined or intervene, they will be assigned Exhibit Numbers at the time the order of joinder or intervention is issued by the Board.

**C. REQUIRED EVIDENCE TO SUPPORT BURDEN OF PROOF:** The following evidentiary information is anticipated to be submitted as is necessary for a party to establish the **taxable value** for oil and/or gas properties involved in the appeal:

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| <b>TO DETERMINE<br/>GROSS VALUE:</b> | <ol style="list-style-type: none"><li>1. Amended Gross Products returns</li><li>2. Oil or gas purchaser statements</li><li>3. Sales contracts</li><li>4. Crude oil, gas postings</li><li>5. Gravity deductions</li><li>6. Run statements</li><li>7. Operating Agreements</li><li>8. Gas Balancing Agreements</li><li>9. Division Orders</li><li>10. Buy/Sell Agreements</li><li>11. Exchange Agreements</li><li>12. Gas Plant statements</li><li>13. Residue Purchase Statements</li><li>14. NGL Purchase Statements</li><li>15. Sulphur Purchase Statements</li><li>16. Residue Purchase Contracts</li><li>17. NGL Purchase Contracts</li><li>18. Sulphur Purchase Contracts</li></ol> |
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Any and all other contracts/statements which may be relevant.

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| <b>ROYALTY<br/>DEDUCTION</b> | <ol style="list-style-type: none"><li>1. Federal, State and Tribal royalty reports</li></ol> |
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| <b>TRANSPORTATION</b> | <ol style="list-style-type: none"><li>1. Oil/gas pipeline statements</li></ol> |
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- DEDUCTION:**
2. Oil/gas pipeline invoices
  3. Oil/gas transportation contracts
  4. Field schematic

- PROCESSING  
DEDUCTION:**
1. Production: Leasehold cost work papers  
Vouchers to support leasehold cost
  2. Processing: Processing cost work papers  
Vouchers to support processing cost

**D. DISCOVERY DEADLINE:** All discovery shall be completed on or before **February 27, 2012**.

**E. FINAL EXCHANGE OF EXHIBITS AND WITNESS LISTS:** The respective parties shall make a final exchange of proposed exhibits, identify the names and addresses with a brief description of expected testimony of all possible witnesses (even if previously designated) and designate in writing with the Board, all confidential exhibits and potential confidential testimony on or before **February 9, 2012**.

**F.** Pursuant to *Rules, Chapter 2, § 9, Wyoming State Board of Equalization*, and *Wyo. Stat. § 16-3-112(b)*, Gayle R. Stewart, shall act and is hereby appointed as hearing officer in these matters.

**G. PREHEARING CONFERENCES AND REQUIRED PREHEARING SUBMISSIONS:** The State Board, through Gayle R. Stewart, Staff Attorney, shall hold prehearing conferences in these matters in the order listed in the caption, the first conference to commence at **1:30 p.m., February 22, 2012**, in Room 1722, State Board Room, Herschler Building, Cheyenne, Wyoming. All subsequent conferences will be conducted in the order listed in the caption with each conference to commence at the conclusion of the matter preceding it in the caption listing. The conferences shall be conducted in this manner until all conference have been held. At the conferences, for each separate matter, all parties shall file with the Board (original and four copies) of the following described documents. *The parties shall segregate the requested information in separate documents.*

1. All proposed exhibits, numbered as provided in Paragraph C, secured in a notebook or by two hole fastener, with each page of each exhibit consecutively numbered, preferably by Bates stamp. Each exhibit shall be tabbed and the tab shall be marked with the exhibit number for ready Board reference.

2. A summary of the contentions of the party *entitled “(Petitioners, Joined Operator’s or Department’s) Updated Summary of Contentions;*
- 3, A summary of the uncontroverted and stipulated facts *entitled “(Petitioners, Joined Operator’s or Department’s) Updated Summary of Uncontroverted [and Stipulated, when appropriate] Facts.* The parties may and are encouraged to jointly prepare and submit this information, particularly in the circumstance of stipulated facts, to be made part of the hearing record.
4. Remaining issues of fact and law for determination by the Board *with an index of exhibits referenced by number and brief description denoting the specific issue or fact the exhibit is anticipated to be offered to prove entitled “(Petitioner’s, Joined Operator’s or Department’s) Issues of Fact and Law and Exhibit Index.*
5. A list of proposed witnesses with a brief summary of proposed testimony *entitled “(Petitioners, Joined Operator’s or Department’s) Witness List and Summary of Proposed Testimony” specifically denoting the related issue(s) each witnesses’ testimony will address.*

**H.** Pursuant to *Rules, Chapter 2, § 31, Wyoming State Board of Equalization*, “resolution of any pending case may be made by agreed settlement. Upon filing of a stipulated motion to dismiss with prejudice **signed by all parties** to the case, the Board shall dismiss the case with prejudice.”

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I. PLEASE NOTE. The dates for the Hearing and the Prehearing Conference will not be extended by the State Board except in rare and extraordinary circumstances, and only upon an appropriately served written motion.

Dated this 26<sup>th</sup> day of August, 2011.

**STATE BOARD OF EQUALIZATION**

  
Steven D. Olmstead, Chairman

**ATTEST:**

  
Wendy J. Soto, Executive Secretary

## CERTIFICATE OF SERVICE

I hereby certify that on the 26<sup>th</sup> day of August, 2011, I served the foregoing **HEARING ORDER (TIK)** by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

BP America Production Company  
John Dickson, Tax Department  
PO Box 3092  
Houston TX 77253

William F. Russell  
Senior Assistant Attorney General  
2424 Pioneer, 3<sup>rd</sup> Floor  
Cheyenne WY 82002

Cornerstone Natural Resources, LLC  
Attn: Clarice Miller  
1225 17<sup>th</sup> Street, Ste. 200  
Denver CO 80202


L. Wade Hopper  
Chevron USA, Inc.  
4800 Fournace Place, Ste. E922E  
Bellaire TX 77401

Kerr McGee Oil & Gas Onshore LP  
Etzel Willhoit  
1099 18<sup>th</sup> Street, Ste. 1800 ATL 6035  
Denver CO 80202

Devon Energy Production Company  
Tori Petete  
20 N. Broadway, Ste. 1500  
Oklahoma City OK 73102

Abby Logerman  
Newfield Production Company  
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Samson Resources Company  
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Jana R. Fitzgerald  
Executive Assistant  
State Board of Equalization  
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cc: State Board of Equalization  
Craig Grenvik, Department of Revenue  
Assessor/Treasurer/Commission/Attorney - Carbon, Sweetwater, Uinta, Lincoln  
& Sublette Counties, (Posted -<http://taxappeals.state.wy.us>)  
ABA State and Local Tax Reporter