

SOUTHEAST WYOMING NIOBRARA OIL DEVELOPMENT INFORMATION



THE PETROLEUM ASSOCIATION OF WYOMING (PAW) PROVIDES THIS REFERENCE INFORMATION TO FACILITATE CONTINUED COMMUNICATION DURING THE DEVELOPMENT OF THE NIOBRARA OIL PLAY IN WYOMING.

The members of PAW have established a Niobrara Committee to provide education and information, share what has been heard in communities and create solutions

for community needs and concerns. PAW recognizes that the Niobrara development requires continuing dialogue between industry, government and citizens.

NIOBRARA PLAY REGULATORY COMPLIANCE

PERMIT / AGENCY

Application for Permit to Drill (APD)

U.S. Department of the Interior
Bureau of Land Management
BLM Wyoming State Office

P.O. Box 1828
Cheyenne, WY 82003
(307) 775-6256 (p)
(307) 775-6129 (f)
www.blm.gov/wy

- A federal APD is required when drilling for federal minerals in Wyoming;
- Requires Pre-Stake Notification;
- Federal application fee applies

Application for Permit to Drill (APD)

Wyoming Oil & Gas
Conservation Commission

P.O. Box 2640
Casper, WY 82602
(307) 234-7147 (p) | (307) 234-5306 (f)
<http://wogcc.state.wy.us/>

- Required when drilling any well in Wyoming

Geophysical/Seismic Operation

Wyoming Oil & Gas
Conservation Commission

P.O. Box 2640
Casper, WY 82602
(307) 234-7147 (p) | (307) 234-5306 (f)
<http://wogcc.state.wy.us/>

- Required when applying for any geophysical or seismic operations

Application for Permit to Construct and Use an Earthen Pit for Retention of Produced Water (Form 14A or 14B)

Wyoming Oil & Gas
Conservation Commission

P.O. Box 2640
Casper, WY 82602
(307) 234-7147 (p) | (307) 234-5306 (f)
<http://wogcc.state.wy.us/>

- Required for construction of pit-ponds to hold produced water from oil or gas wells or reserve pits;
- Must include list of wells discharging to pit-pond

Wyoming Pollutant Discharge Elimination System (WYPDES) Discharge Permit

Wyoming Department of Environmental
Quality Water Quality Division

122 W. 25th St.
Herschler Building
Cheyenne, WY 82002
(307) 777-7081 (p)
<http://deq.state.wy.us>

- The federal Clean Water Act requires that the discharge of any pollutants from a point source into surface water must be regulated under the WYPDES program;
- Small Construction Permit is required when construction is part of a Plan of Development (POD) and soil disturbance is at least one acre;
- Large Construction Permit required when soil disturbance is five acres or more;
- Periodic inspections must be performed;
- Applicant certifies that he or she has storm water pollution plan in place but this is not submitted to the State with the application

New Source Construction Permit

Wyoming Department of Environmental
Quality Air Quality Division

122 W. 25th St.
Herschler Building
Cheyenne, WY 82002
(307) 777-7391 (p)

<http://deq.state.wy.us/aqd/construction.asp>

PAW MEMBERS ARE COMMITTED TO:

- ▶ Best Management Practices
- ▶ Environmental Health and Safety
- ▶ Preserving Air and Water Quality
- ▶ Being a Good Neighbor

- Required for any source or facility releasing pollutants into the air;
- Must receive permit before any work can begin on facility other than wellsite equipment;
- Depending on the project, an ongoing operating Permit may also be required

Final Plat and Subdivision Permit (Gravel Quarry)

Laramie County Planning &
Development Office

(307) 633-4303 (p)
www.laramiecounty.com

Platte County Planning & Zoning Office

(307) 322-1341 (p)
www.plattecountywyoming.com

Goshen County Planning Commission

(307) 532-3852 (p)
www.goshencounty.org

- Required when establishing a quarry operation

Pipe Yard and Equipment Storage

Laramie County Planning &
Development Office

(307) 633-4303 (p)
www.laramiecounty.com

Platte County Planning & Zoning Office

(307) 322-1341 (p)
www.plattecountywyoming.com

Goshen County Planning Commission

(307) 532-3852 (p)
www.goshencounty.org

- Required when temporarily storing pipe and/or equipment for construction projects

WYDOT Access Permit

Wyoming Department of
Transportation District 1 Office

3411 S. 3rd St.
Laramie, WY 82070
(307) 745-2100 (p)
www.dot.state.wy.us

- Required when accessing well location from state highways;
- Engineered drawings must be submitted;
- Application reviewed by WYDOT

Other Info:

Laramie County Commission

309 W. 20th St.
Cheyenne, WY 82001

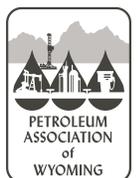
(307) 633-4260 (p)
www.laramiecounty.com/contact_us.asp

Platte County Commission

P.O. Box 728
Wheatland, WY 82201
(307) 322-3555 (p)
www.plattecountywyoming.com

Goshen County Commission

2125 East A St.
Torrington, WY 82240
(307) 532-2628 (p)
www.goshencounty.org



SOUTHEAST WYOMING NIOBRARA OIL DEVELOPMENT INFORMATION

IN WYOMING, MINERALS ARE THE ONLY CLASS OR KIND OF PROPERTY THAT IS VALUED AND TAXED AT 100 PERCENT OF ACTUAL VALUE. OIL AND GAS PRODUCTION PROVIDE TAX REVENUE THAT SUPPORTS WYOMING'S CITIES, COUNTIES, STATE AND THE FEDERAL GOVERNMENT.

WYOMING TAX AND ROYALTY DEFINITIONS

SEVERANCE TAX:

Severance tax is levied by the state for "severing" a mineral from the earth. Severance taxes are levied regardless of surface ownership. 1.5 percent of the severance rate is designated for the Wyoming Permanent Mineral Fund. The remaining tax revenue is distributed to the general fund, schools, cities, towns, highways, counties and water development.

Oil & Gas Severance Rate = 6% (4% on stripper wells)

STATE ROYALTIES:

Royalty rate usually is 16.66% on all state owned land.

CONSERVATION TAX:

Taxes paid on the production of oil and gas to the Wyoming Oil and Gas Conservation Commission. Revenues fund overall operations of the Conservation Commission and its Abandoned Well Project.



FEDERAL ROYALTIES:

Royalty rate is 12.5% on all federal owned land. The state receives 48% of the federal royalties collected for leasing, production and fees on federal land. That money, along with state royalties, funds education, infrastructure improvements, road projects, public buildings, and other general operations. The U.S. Treasury divides monies received into the general fund, reclamation fund, national historic preservation, and the land and water conservation fund.

GROSS PRODUCTION/PROPERTY TAX (AD VALOREM):

County assessed taxes paid by the producer on the actual value at the time of oil and gas production to the County Treasurer. Revenues go to local governments.

County average in Wyoming = 6.7%

COUNTY PROPERTY TAX:

Counties assess property taxes. Property taxes are set by multiplying the county tax rate (mill levy) by the taxable (assessed) value of a property. The mill levy is determined by the governmental entity imposing the tax. Property taxes pay for public schools, city streets, county roads, police, fire protection and many other services.

SALES TAX:

Taxes paid on goods and services. State sales tax is 4%, cities and counties add their own rate to the state's rate.

USE TAX:

If a vendor did not charge sales tax on a taxable retail sale, the purchaser must pay tax after delivery, as well as when keeping, storing, moving or installing item(s). If sale is subject to a state use tax, it is also subject to local use tax. State use tax is 4%. Cities and counties add their own rate to the state's rate.

Sources:

www.pawyo.org
wogcc.state.wy.us
revenue.state.wy.us

