# SECTION II. SPECIFIC INSTRUCTIONS

1. **NET-PROFIT-SHARE LEASE (NPSL) ACCOUNT (AC) REPORT**

### **1. Reporting Instructions**

**Overview of the AC Report**

The Net-Profit-Share Lease Account (AC) Report includes revenue and cost activity for the NPSL in total. The AC Report contains three sections corresponding to the three NPSL accounts for which data is reported. The three accounts are the:

Development Account (DV),

Net Profit Payment Account (NP), and

Production Revenue Account (PR).

The “Development Account” portion of the AC Report contains data on development cost beginning balances, costs for exploration, construction, rents, licenses, drilling and development related expenses. The “Net-Profit Payment Account” portion contains data on the net profit rate for the lease and the amount of the net profit payment that is due. The “Production Revenue Account” portion contains data on production revenue, taxes, credits and administrative and operating costs as they affect production revenue balances. Reporting on the AC Report includes breakouts of items that are unique to the entire lease and those items that are specific to an “Accounting Unit.”

**Accounting Unit:**

An "Accounting Unit" is any “Lease Operation,” “Tract Operation,” or “Participating Area” that constitutes a single production, financial and reporting entity. DO&G assigns “Accounting Unit” designations for any operation from which a petroleum product is produced for any length of time. DO&G identifies “Accounting Units” as “Active” or “Inactive” based on whether a lessee produces or has produced oil, gas, or associated substances from the “Accounting Unit.” DO&G considers “Accounting Units” with intermittent production in “Active Status” even during periods of no production. Once an “Accounting Unit” becomes “Active” it remains “Active” until the “Accounting Unit” is “Abandoned.”

**Electronic Filers:**

Each lessee must designate an electronic filer. Contact the Royalty Accounting Section at 269-8800 or via email at [Royrep@alaska.gov](mailto:Royrep@alaska.gov) and request your **myAlaska** user logon and password. Do not set up a **myAlaska** account on your own. All new **myAlaska** accounts for the purposes of conducting business with DO&G must be prescreened and set up by DO&G.

**Reporting Responsibility:**

According to lease agreements, it is the ultimate responsibility of each lessee to ensure that their oil and gas royalty and net-profit-share reporting and payment obligations are met on each of their leases, regardless of any operating or payment agreements in effect.

**NPSL Report Forms:**

The NPSL Report filing standardizes NPSL reporting and payments for all Net-Profit-Share lessees. The NPSL reports include the:

Account (AC) Report: the AC Report contains three sections, the Development Account (DV), Production Revenue (PR) and the Net Profit Payment (NP) that report NPSL lease development and operating costs, production revenue and net profit payments information.

Volume/Value (VV) Report: The VV Report contains current production activity for the NPSL in an “Accounting Unit” including oil and gas quantity, royalty quantity, starting value, adjustments to starting value, total value, royalty value, royalty expense, abandonment cost per unit, and total abandonment cost.

Petroleum Production Tax Lease Allowance (PT) Report: the PT Report contains 9 sections that both use information from the AC Report and provide information to the AC Report and includes both production net revenue and credit information.

Royalty and NPSL Payment Summary (S1) Report: The S1 Report must accompany any NPSL payment and includes information on the principal and interest reported paid on the Net Profit Share AC Report. Payment amounts are summarized by lease and broken out into principal, interest and total payments.

**NPSL Lease Status:**

The contents of a complete NPSL Report filing vary depending on the status of the lease.

1. Non-producing NPSL Lease Filing:

A lease is in this status if it is not producing commercial or saleable quantities of hydrocarbons. A complete NPSL filing for a Non-Producing Lease in Non-Net-Profit status consists of the following reports monthly:

* + 1. Account (AC) Report
    2. Petroleum Production Tax Lease Allowance (PT) Report
    3. Supplemental Reports (as required by DO&G)

1. Producing NPSL Lease Filing:

A lease is in this status if it produces commercial or saleable quantities of hydrocarbons. Once a lease starts producing the AC Report, PT Report, and VV Report must be filed together as a package beginning with the first month of production. There are two Producing Lease categories:

1. Net-Profit Non-Payout Status:

This is a lease that is producing commercial or saleable quantities of hydrocarbons, but does not yet yield a net-profit payment.

A complete NPSL filing for a Producing Lease in Non-Net-Profit status consists of the following reports:

1. Account (AC) Report
2. Petroleum Production Tax Lease Allowance (PT) Report
3. Volume and Value (VV) Report for each active “Accounting Unit” on the lease
4. Supplemental Reports (as required by DO&G)
5. Net-Profit Payout Status:

A complete NPSL filing for a Producing Lease in Net-Profit Payout status consists of the following reports:

* + 1. Account (AC) Report
    2. Petroleum Production Tax Lease Allowance (PT) Report
    3. Volume and Value (VV) Report for each active “Accounting Unit” on the lease
    4. Royalty and NPSL Payment Summary (S1) Report
    5. Supplemental Reports (as required by DO&G.)

### **Data Presentation, Formats, and Item Descriptions**

**Data Presentation:**

The AC Report is organized into Header Data and Report Data. The Header Data provides specific non-repetitive information about the reporter, the type of report, the lease number, and the production location and period. The Report Data provides repetitive information in lines and columns. Each line is one record; each column represents a specific data item.

Note: The “Report Data” is required to be reported in a certain order. Please refer to the specific instructions for each report to determine the exact order in which the data should be reported.

Numeric or alpha codes are used in the “Report Data Items” to describe the variety of “Products,” “Dispositions,” “Accounts,” and “Allocations” used. Code lists can be found in your myAlaska site under the Reference Reports area of where you log in to submit Royalty and NPSL Filings. Additional codes may be assigned as needed to report newly automated information. Lessees should contact the DO&G if a code is needed and not found in your myAlaska site.

Refer to Sections four and five at the end of these instructions for generic examples of a completed Account Report for a payout and non-payout lease.

The AC Report is made up of three account codes; “Development Account” (DV), “Net-Profit Payment” (NP), and “Production Revenue” (PR). Report all NPSL “Accounting Units” and lease specific costs related to the NPSL on the AC Report.

**Report Data Items:**

a. Report Header Data Items:

All “Header Data Items” must be filled in for the report to be complete.

Header Data

Line Number Data Item

1. (For System Use Only, usually contains form version number.)
2. Report Type (use AC)
3. Report Code (use AL)
4. Filing Type
5. Customer ID Number
6. (Blank on AC Report)
7. Production Month
8. Revision Number
9. Report Month
10. Control Number
11. Authorization Date
12. Lease Number
13. (Blank on AC Report)
14. (Blank on AC Report)
15. (Blank on AC Report)
16. (Blank on AC Report)
17. (Blank on AC Report)
18. (Blank on All Reports)
19. Lessee Name
20. (Blank on AC Report)
21. Address 1 (Lessee mailing)
22. Address 2 (Lessee mailing)
23. City (Lessee mailing)
24. State (Lessee mailing)
25. Zip Code (Lessee mailing)
26. Prepared By
27. Preparer Phone Number
28. Preparer Fax Number
29. Authorized Signature (Electronic Code)
30. Authorized Signature (Person’s Name)
31. Authorizers Phone Number
32. Authorizers Fax Number

b. Report Detail Data Items:

All Detail Data Items must be filled out for the report to be complete.

Column No. Data Item

* + 1. Line Number
    2. Accounting Unit Code
    3. Account Code
    4. Allocation Code
    5. Rate - Percentage
    6. Amount - Total Amount, Total Cost, etc.

**Data Formats:**

Report Rates and Amounts as follows:

1. Rates must not be larger than 100%. Report all “Rates” to the fifth decimal place as a percentage by rounding the fifth decimal up one if the sixth decimal is five or higher.

For example:

A rate of 3% should be formatted as a percent to show 3.00000%

A rate of 16.6% should be formatted as a percent to show 16.60000%

b. All negative numbers must be preceded by a minus (-) sign.

c. Report all amounts to the nearest U.S. cent.

Report dates in exactly the format Month-Day-Year as “MM/DD/YYYY.”

**Report Header Data Item Descriptions:**

All data items in the header must be filled out completely. The “Customer ID,” “Lease Number” and “Control Number” are critical to accurately identifying your report information. Inaccurate use of “Customer IDs,” “Lease Numbers,” or “Control Numbers” could result in the misfiling or misidentification of your reports. Incomplete or missing reports will be subject to “Administrative Fees.” The data items are listed by line number.

1. For system Use Only. Spreadsheet format.

2. Report Type List the type of report you are filing; in this case a NPSL AC Report is “Report Type” “AC.” A list of “Report Type” codes can be found in your myAlaska site.

3. Report Code List the “Report Code” you are filing, in the case of an AC Report use a code of “AL” to indicate that data provided is for the combined products from the lease. A list of “Report Codes” can be found in your myAlaska site.

4. Filing Type List the “Filing Type” you are submitting, “Regular” (REG), “Audit” (AUD), “FERC” (FER), etc. A list of “Filing Type” codes can be found in your myAlaska site.

5. Customer ID List the “Customer ID” code that has been assigned to you as a lessee by the State of Alaska. If you do not know your company’s “Customer ID” code, contact the Division of Oil and Gas, Royalty Accounting Section at (907)269-8800. The Customer ID’s cell is programmed for nine digits. If your company ID is not nine digits long, use leading zeros.

6. Blank on AC Report.

7. Production Month List the “Production Month” as month-day-year for the production being reported. Use the exact month-day-year numeric format, “MM/DD/YYYY.” Always use the 1st as the date-day when reporting “Production Month” dates.

8. Revision Number List the “Revision Number.” Original reports must be identified with a “Revision Number” of “00.” Each subsequent revision increases the “Revision Number” by 1.

9. Report Month List the calendar month in which the AC Report is being filed. Normally, the “Report Month” is two months after the “Current Production Month,” i.e., a January 2010 “Production Month” has a March 2010 “Report Month.” When filing a revised AC Report, the “Report Month” should correspond with the calendar month and year the report is actually submitted. Normally, this would be the same “Report Month” used for the “Current Production Month” under which the revised AC Report is filed. For example, if a revised AC Report for “Production Month” January 2008 is submitted with the “Current Production Month” of April 2010, which would normally have a “Report Month” of June 2010, the “Report Month” for the revision would be June 2010 because that is the month, in which the revision is submitted. NPSL reports are due sixty days after the end of a “Production Month.” Use the exact month-day-year numeric format, “MM/DD/YYYY,” i.e. “06/01/2010” in the above example. Always use the 1st as the date day when reporting “Report Month” dates.

10. Control Number List the “Control Number” for the “Report Month” the report is included. The same “Control Number” must be used on all NPSL reports for a monthly NPSL lease filing, AC Report, VV Report, PT Report, and S1 Report. See your myAlaska site for an explanation on how a report filer can assign their own “Control Number.” The control number is eighteen digits.

11. Authorized Date List the date the “Account Report” is certified as correct. Use the exact month-day-year numeric format, “MM/DD/YYYY.”

12. Lease Number List the ADL lease number for which the report is being filed.

13. Blank on AC Report.

14. Blank on AC Report.

15. Blank on AC Report.

16. Blank on AC Report.

17. Blank on AC Report.

18. Blank on All Reports

19. Lessee Name List the name of the individual, partnership, firm or corporation having ownership in the NPS lease.

20. Blank on AC Report

21. Address 1 List the Lessee’s mailing address Line 1.

22. Address 2 List the Lessee’s mailing address Line 2 if needed.

23. City List the lessee’s City.

24. State List the lessee’s State.

25. Zip List the lessee’s Zip.

26. Prepared By List the name of the person is preparing the AC Report.

27. Phone Number List the phone number of the person preparing the AC Report.

28. FAX Number List the FAX number of the person preparing the AC Report.

29. Authorized Signature (Code) Signature of the person who is authorizing the AC Report. Each party will select its own Signature Code for the authorization of Documents. The Signature must be 10 characters in length using secure password selection techniques.

30. Authorized Signature (Name) List the name of the authorizing signatory of the AC Report.

31. Phone Number List the phone number of the person authorizing the AC Report.

32. FAX Number List the Fax number of the person authorizing the AC Report

**Report Detail Data Item Descriptions:**

Refer to Sections four and five of this chapter for generic payout and non-payout examples of the reported items described below. All data items must be filled out completely. Incomplete or missing reports will be subject to “Administrative Fees.” The data items are listed by column letter.

A. Line Number List the line number of each individual line of data filed in the “Account Report.”

B. Accounting Unit Code List either “Lease” or the “Accounting Unit” code that has been assigned to the Tract Operation, Lease Operation, or Participating Area (PA) by the State of Alaska. A list of the “Accounting Unit” codes can be found in your myAlaska site.

C. Account Code List the “Account” code that describes the “Allocation” code being used. A list of “Account Codes” can be found in your myAlaska site.

D. Allocation Code List the “Rate” or “Amount” “Allocation” code that describes the corresponding “Rate” or “Amount” data items being reported.

For “Rates,” report the “Value” “Allocation” code that describes the “Rate” being reported. A list of “Value Allocation” codes can be found in your myAlaska site.

For “Amounts,” report the “Amount” “Allocation” code that describes the amount being reported. A list of “Amount” “Allocation” codes can be found in your myAlaska site.

E. Rate Report the “Rate” associated with the “Allocation” code. List this as a percentage to five decimal places.. Refer to “Data Formats” in this chapter for more details on how to report rates.

F. Amount List the total revenue, cost or payment amount for the “Allocation” code being reported. Report these for each “Account/Allocation” code combination.

**Detailed Data Items Required To Be Reported:**

Original and revised NPSL AC Report Required Data Items for producing leases:

|  |  |  |
| --- | --- | --- |
| **ACCOUNT CODE** | **ALLOCATION CODE** | **ALLOCATION CODE DESCRIPTION** |
| DV | BEGB | Beginning Balance |
| DV | TOI | Total Overhead Items |
| DV | OVHR | General Overhead and Admin. Expense Rate |
| DV | GOAE | General Overhead and Admin. Expense |
| DV | PTDC | Production Tax Development Account Credits (From PT) |
| DV | TOTDC | Total Development Costs |
| DV | CPR | Credit from Production Revenue |
| DV | PEB | Preliminary Ending Balance |
| DV | PRIN | Principal |
| DV | IR | Interest Rate |
| DV | AINT | Accrued Interest |
| DV | DEV | Development Acct Credit Ending Balance |
| DV | ENDB | Ending Balance |
| NP | DEV | Development Acct Credit Ending Balance |
| NP | NPR | Net Profit Share Rate |
| NP | TAD | Total Amount Due |
| NP | REVPD | Revision Principal Difference (required on revision # greater than zero) |
| NP | REVID | Revision Interest Difference (required on revision # greater than zero) |
| NP | REVTD | Revision Total Difference (required on revision # greater than zero) |
| PR | BEGB | Beginning Balance |
| PR | TCR | Total Credits (from VV) |
| PR | TOI | Total Overhead Items |
| PR | OVHR | General Overhead and Admin. Expense Rate |
| PR | GOAE | General Overhead and Admin. Expense |
| PR | TAC | Total Abandonment Cost (from VV) |
| PR | PTLA | Petroleum Production Tax Lease Allowance (from PT) |
| PR | PTLRC | Loss Carryforward credit (from PT) |
| PR | TDC | Total Direct Charges (Operating) |
| PR | TRYE | Total Royalty Expense Amount (from VV) |
| PR | TDB | Total Debits |
| PR | PREV | Production Revenue for the Month |
| PR | ENDB | Ending Balance |

The AC Report requires that all of the “Account/Allocation” code combinations listed in the table above be reported on any original or revised AC report.

**Current Production Month AC Report:**

The AC Report information includes the revenue and cost activity for the NPSL lease in total. It contains three sections corresponding to the “Development Account” (DV), the “Net-Profit Payment Account” (NP), and the “Production Revenue Account” (PR) for which data is reported for a NPS lease.

Report all of the “Accounting Units” that are allocated revenues and costs for the NPSL on one AC report by “Production Month.” Report lease specific costs with the “LEASE” “Accounting Unit” code. Report revenues and costs allocated to the “Participating Area” (PA), Lease Operations (LO), or Tract Operations (TO), as the “Accounting Unit” code to which they are assigned.

**Development Account:** Report the following items on the AC Report for the “Development Account” (DV) for the “Current Production Month” in the order in which they are described below.

* 1. Report the new “Beginning Balance” **(DV BEGB)**. The new DV BEGB is the “Development Account Ending Balance” (DV ENDB) from the previous “Production Month” AC Report for the lease, unless the previous months DV ENDB is a credit (negative balance). If this is the case, the DV BEGB in the following month would be 0. Note: a DV ENDB credit balance indicates that the lease is in payout. Report this as “Accounting Unit” code “LEASE.”

Note: Report the following cost items (b. thru f.) according to those amounts that are specific to the “Lease” or those specific to the “Accounting Unit” using the specific “Accounting Unit” code to which they apply. Refer to Sections four at the end of these instructions for a generic example of how to code and report items for the “Development Account” portion of the AC Report. Both the “Lease” level and “Accounting Unit” level are shown for the following five allocation codes (b. thru f.) in section four but they both aren’t required to be reported for a lease.

* 1. Report the Exploration – “Pre and Post Drilling” costs **(DV EPPD)**. Report the Unit specific share as “LEASE” (DV EPPD) or the PA, TO, or LO allocated share with the specific “Accounting Unit” code from which the “DV EPPD” cost is derived.
  2. Report the “Construction Project Design” costs **(DV CPD)**. Report the Unit specific share as “LEASE” “DV CPD” or the PA, TO, LO allocated share with the specific “Accounting Unit” code from which the “DV CPD” cost is derived.
  3. Report the “Cost of Capital Work-in-Progress” costs **(DV CWP)**. Report the Unit specific share as “LEASE” “DV CWP” or the PA, TO, LO allocated share with the specific “Accounting Unit” code from which the “DV CWP” cost is derived.
  4. Report the “Drilling Costs-Well” **(DV DCW)** costs. Report the Unit specific share as “LEASE” “DV DCW” or the PA, TO, LO allocated share with the specific “Accounting Unit” code from which the “DV DCW” cost is derived.
  5. Report the “Well and Lease Equipment” **(DV WLE)** costs. Report the Unit specific share as “LEASE” “DV WLE” or the PA, TO, LO allocated share with the specific “Accounting Unit” code from which the “DV WLE” cost is derived.

Note: Report the following items g. thru j. to the lease using “Accounting Unit” code “LEASE.”

1. Report the “Audit Adjustments – Overhead” Items (DV AAOH).
2. Report the “Total Overhead Items” **(DV TOI)** by summing all “DV EPPD,” “DV CPD,” “DV CWP,” “DV DCW,” “DV WLE,” and “DV AAOH” amounts.
3. Report the “General Overhead and Administrative Expense Rate” **(DV OVHR)** used to calculate the “General Overhead and Administrative” expenses. The allowable rate can be found in the regulations (11 AAC 83.219(f)).
4. Report the “General Overhead and Administrative Expenses” **(DV GOAE)** by multiplying the “DV OVHR” times the “Total Overhead items” (DV TOI).

Note: Report the following items for each “Accounting Unit” in which the lease occurs. If these costs can’t be broken out by Accounting Unit then report “Lease”

1. Report the “Rentals/Licenses/Permits” costs **(DV RLP)**. Lease Rental Costs can be reported here until production is reached. At that time, lease rental costs should be put under the production revenue lease rentals.
2. Report any costs to “Acquire Production Interests” **(DV API)**.
3. Report the lessee’s share of “Pre-Production Taxes” **(DV PPT)**.
4. Report the “Reimbursements to Operator – Capital” **(DV RTO)** that are allowable under the NPSL regulations. If these costs have already been reported in items above, then report zero for this item.
5. Report the “Exploration Incentive Credits” **(DV EIC)** allocated to the lessee.

Note: Report the following items **(DV PTDC)** thru **(PR BEGB)** to the lease using “Accounting Unit” code “LEASE.”

1. Report the “Petroleum Production Tax Lease Allowance Development Account Credits” (DV PTDC) from the PT Report. “Petroleum Production Tax Lease Allowance Development Account Credits (PPC PT PTDC).
2. Report the “Audit Adjustments to Non-Overhead Items” (**DV AANOH**). This code will be reported as zero unless otherwise directed by DO&G.

Note: Determine whether the following exception applies to the lease being reported.

1. Report the “Capital Access Fee-Milne Point Leases Only” **(DV CAPF)** as reported on the “Current Month” VV Report, “Capital Access Fee” (CAPF). This item should only be reported on Milne Point NPSL leases.
2. Report the “Total Development Costs” **(DV TOTDC)** by summing “DV TOI,” “DV GOAE,” “DV RLP,” “DV API,” “DV PPT,” “DV RTO,” “DV EIC,” “DV PTDC”, “DV AANOH” and “DV CAPF.”
3. Report the “Credit from Production Revenue” **(DV CPR)** amount. Use the “Production Revenue” (PR PREV) amount from this “Current Production Month” AC Report if it is negative or 0, otherwise report 0. This item represents the total production revenue credits for the lease.
4. Report the “Preliminary Ending Balance” **(DV PEB)** by summing “DV BEGB,” “DV TOTDC,” and “DV CPR.” This item represents the total preliminary balance for the NPSL.
5. Report the “Principal” amount **(DV PRIN)**. If DV PEB is less than zero, DV PRIN equals zero. If DV PEB is greater than zero, the “DV PRIN” amount is the sum of the “DV BEGB” and “DV PEB” multiplied by .5. Interest only accrues when the “DV PRIN” amount has a debit balance. This item represents the total principal amount for the NPSL.
6. Report the “Interest Rate” **(DV IR)** used to calculate accrued interest. The “DV IR” is a NPSL monthly rate provided each month by DO&G.
7. Report the “Accrued Interest” **(DV AINT)** by multiplying the “Interest Rate” (DV IR) by the “Principal Amount” (DV PRIN). This item represents the accrued interest on the “PRIN” for the month for the lease.
8. Report the “Development Account Credit Ending Balance” **(DV DEV)** by summing “DV PEB” and “DV AINT.”
9. Report the “Ending Balance” **(DV ENDB)** as Development Account Credit Ending Balance (DV DEV). DV ENDB equals DV DEV.

**Net Profit Payment Account:**  Report the following items on the AC report with Net Profit Payment Account Code “NP” for the Current Production Month” using the “Accounting Unit” code “LEASE.”

* 1. Report the “Development Account Credit Ending Balance” **(NP DEV)**.

If the “DV DEV” is zero (0) or greater than zero, report zero (0) for the “NP DEV.”

If the “DV DEV” is less than zero report the “DV DEV” as a positive “NP DEV” amount.

* 1. Report the “Net-Profit Share Lease Rate” **(NP NPR)** for the lease.
  2. Report the “Total Amount Due” **(NP TAD)**. The “NP TAD” amount is the NPS lease net profit payment amount calculated by multiplying “NP DEV” times the “NP NPR.”

Note: Revised AC filings (revision numbers greater than 00) must include the following three items as they relate to a revision of the “NP TAD.”

* 1. Report the “Revision Principal Difference” **(NP REVPD)**. This is the principal difference between the previous revision “NP TAD” and the current revision “NP TAD.”
  2. Report the “Revision Interest Difference” **(NP REVID)**. This is the interest accrued on the “NP REVPD” for the current revision as of the date of payment.
  3. Report the “Revision Total Difference” **(NP REVTD)**. This is the sum of the “NP REVPD” and “NP REVID” for the current revision.

**Production Revenue:**  Report the following items on the AC Report with “Production Revenue Account” code “PR” for the “Current Production Month”

1. Report the “Beginning Balance” **(PR BEGB)**. Use the prior month’s most recent AC Report revision report the amount from the “Production Revenue Ending Balance” (PR ENDB) using accounting unit code “LEASE”.

Note: Report the following items for each “Accounting Unit” in which the lease occurs. If these costs can’t be broken out by Accounting Unit then report “Lease”

1. Report the “Total Credits” **(PR TCR)** as a negative amount. Sum the “Total Values” (TV) amounts for all products as reported on the “Current Month” VV Report. Must be reported with the Accounting Unit in which the lease occurred.
2. Report the “Production Operations Expense” **(PR PO)** allocated to the lessee.
3. Report the “Damages and Losses” **(PR DL)** allocated to the lessee.
4. Report the “Other Charges” **(PR OTH)** allocated to the lessee.

Note: Details of “Damages and Losses,” and “Other Charges” that are included in the “PR DL” or “PR OTH” amount items above must be reported in detail in a supplemental report that must accompany this report at the time it is filed.

Note: Report the following items to the lease using “Accounting Unit” code “LEASE.”

1. Report the “Lease Rentals” **(PR LR)**.

Note: Determine whether the following exception applies to the lease being reported.

1. Report the “Audit Adjustments to Overhead Items to Production Revenue” **(PR AAOH)**. This code will be reported as zero (0) unless otherwise directed by DO&G.
2. Report the “Total Overhead Items” **(PR TOI)** by summing all “PR PO,” “PR DL,” “PR OTH,” “PR LR” and “PR AAOH.”
3. Report the “General Overhead and Administrative Expense Rate” **(PR OVHR)** used to calculate the “General Overhead and Administrative Expenses” for operating costs. The allowable rate can be found in the regulations (11 AAC 83.240).
4. Report the “General Overhead and Administrative Expenses” **(PR GOAE)** by multiplying the “PR TOI” times the “PR OVHR.”

Note: Report the following item for each “Accounting Unit” in which the lease occurs. If these costs can’t be broken out by Accounting Unit then report “Lease”

1. Report the “Total Abandonment Costs” **(PR TAC)** by summing the “Abandonment Cost” (AC) amounts for all “Products” as reported on the “Current Month” VV Report.

Note: Report the following items to the lease using “Accounting Unit” code “LEASE.”

1. Report the “Petroleum Production Tax Lease Allowance” **(PR PTLA)** from the “Current Month” PT Report, “Petroleum Production Tax Lease Allowance” (PTL PT PTLA) item.
2. Report the “Loss Carry Forward Credit” **(PR PTLRC)** from the “Current Month” PT Report, “Petroleum Production Tax Lease Loss Against Revenue Account Credit” (LCC PT PTLRC).

Note: Report the following item for each “Accounting Unit” in which the lease occurs. If these costs can’t be broken out by Accounting Unit then report “Lease”

1. Report the “Ad Valorem Taxes” **(PR AVT)**.
2. Report any allowable “Non-Operator Costs” **(PR NOP)**.

Note: The Non-operator Costs should be detailed in a supplemental report and sent along with the AC Report.

Note: Report the following items to the lease using the “Accounting Unit” code “LEASE.” Also, determine whether “PR AANOH” applies to the lease being reported.

1. Report the “Audit Adjustments to Non-Overhead Items” **(PR AANOH)**. This code will be reported as zero unless otherwise directed by DO&G.
2. Report the “Total Direct Charges” **(TDC)** by summing “PR GOAE,” “PR TAC,” “PR PTLA,” “PR PTLRC,” “PR AVT,” “PR NOP,” and “PR AANOH.”

Note: Report the following item for each “Accounting Unit” in which the lease occurs.

1. Report the “Total Royalty Expense” **(PR TRYE)** by summing the “Royalty Expense” (RYE) items reported for all products on the “Current Month” VV Report.

Note: Report the following items to the lease using the “Accounting Unit” code “LEASE.”

1. Report the “Total Debits” **(PR TDB)** by summing “PR TOI,” “PR TDC,” and “PR TRYE.”
2. Report the net “Production Revenue” **(PR PREV)**. Report the sum of “PR BEGB,” “PR TCR,” and “PR TDB.” IF THE “PR PREV” is negative, report the amount under “Development Account Production Revenue (“DV CPR”) item.
3. Report the “Production Revenue’s debit Ending Balance” **(PR ENDB)** for the month. If the “PR PREV” is less than zero (0), then report zero (0) for “PR ENDB”. If the “PR PREV” is positive i.e., greater than zero (0),then report the “PR PREV for the “PR ENDB”

**Prior Production Month Revisions:**

Interest will be assessed and reported on all net profit payments paid after the due date. The interest rate and method used on over/under payment amounts will be based on the interest rate terms in the lease. If the lease form is silent on the interest rate, then interest will be determined in accordance with regulation 11 AAC 83.247(b). If NPS leases in an “Accounting Unit” have a settlement agreement in place, then the rate specified in the settlement agreement applies. Further, if a lessee is entitled through some unique circumstance or agreement to different rates and methods that are depending on the lessee’s unique ownership of a lease, then each method and rate applicable to the lessee’s respective portions of the lease will apply.

See Section four and five for examples of AC Report revised reports.

Complete a revised AC report for each prior “Production Month” that you have previously filed. In addition, report the following items with an “Account Code” of “NP:”

* 1. Report the “Revised Principal Difference Due” **(REVPD)** as the difference between the “TAD” on the current report and the “TAD” on the previous report.
  2. Report the “Revised Interest Difference Due” **(REVID)** as the amount of interest being paid on the “REVPD” on this report.
  3. Report the “Revised Total Difference Due” **(REVTD)** by adding items “a” and “b.”

NOTE: When net profit share lease revisions occur, items a, b and c above must be included in the revised AC Report for the “Production Month” affected. Any payment adjustment resulting from the revised filing (with filing type REG) may be included with the current month NPSL filing with filing type REG and payment due for the NPSL S1 Report. However, the lessee may elect to file revised reports with a separate filing with filing type of REG to account for a special filing such as the AC filing for the initial filing of the PT Reports. Report items a, b, and c above with the following “Allocation” codes (PRIN), (INTR) and (TPMT) on the S1 Report for the lease. All principal, interest and total payments from revised and current month reports should be summed and reported for the lease. Only interest on late original filings needs to be listed separately by “Production Month” as “Late Payment Interest” (LPMI) on the Royalty and NPSL Payment Summary (S1) Report. Refer to the S1 Report Instructions in Section II F.

**Full Reporting:**

Full reporting means that the information for any NPSL filing is always complete for every filing. In order to be complete, all data items must be complete on all applicable report forms for the appropriate status for the NPSL lease being reported.

Full reporting also applies to revision filings. If any one or more of the reports (VV, AC, or PT) which make up the filing package for the NPSL lease for a “Production Month” is revised, then all reports included in the original filing for that “Production Month” must also be included with the revised filing, with appropriate data items revised in accordance with the entire revised filing. A revised report completely replaces the previous report. Therefore, a revision must include all report forms and all information, not just the information that changed.

All reports in a filing package should have the same “Revision Number.” Piecemeal revisions are not acceptable. “Revision Numbers” are assigned in sequential number order that corresponds to the chronological order of the revision beginning with “00” for the original report. All revision numbers must be used sequentially, reports will not be accepted if the “Revision Numbers” are out of sequence or duplicated.

Note: When revised AC and VV Reports are filed due to the inclusion of the PT Report, beginning with April 2006 “Production Month,” the PT Report should have the same “Revision Number” as the AC and VV Reports being filed for the same “Production Month.”

Note: “Control Numbers” must be used on all NPSL Filings. The “Control Number” on all the reports for each revision should be the same for a lease and “Production Month.” See your myAlaska site for an explanation on how to assign a “Control Number.”

**3. Blank AC Report Form**

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| **ALASKA DNR - OIL & GAS V 1.201212** | | | | | |
| **REPORT TYPE** | |  |  |  | AC |
| **REPORT CODE** | |  |  |  | AL |
| **FILING TYPE** | |  |  |  |  |
| **CUSTOMER ID NUMBER** | |  |  |  |  |
|  |  |  |  |  |  |
| **PRODUCTION MONTH** | |  |  |  |  |
| **REVISION NO.** | |  |  |  |  |
| **REPORT MONTH** | |  |  |  |  |
| **CONTROL NUMBER** | |  |  |  |  |
| **AUTHORIZED DATE** | |  |  |  |  |
| **LEASE NUMBER** | |  |  |  |  |
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| **LESSEE NAME** | |  |  |  |  |
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| **ADDRESS1** | |  |  |  |  |
| **ADDRESS2** | |  |  |  |  |
| **CITY** |  |  |  |  |  |
| **STATE** |  |  |  |  |  |
| **ZIP** |  |  |  |  |  |
| **PREPARER** | |  |  |  |  |
| **PREPARER PHONE NUMBER** | | |  |  |  |
| **PREPARER FAX NUMBER** | |  |  |  |  |
| **AUTHORIZED SIGNATURE (CODE)** | | |  |  |  |
| **AUTHORIZED SIGNATURE (Printed Name)** | | | |  |  |
| **PHONE NUMBER** | |  |  |  |  |
| **FAX NUMBER** | |  |  |  |  |
| **LINE NO.** | **ACCOUNTING UNIT** | **ACCOUNT CODE** | **ALLOCATION CODE** | **RATE** | **AMOUNT** |
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### **Alaska Net-Profit-Share Lease Account Report**

**Legend for Examples**

|  |  |
| --- | --- |
| **Legend** |  |
| **Calculated Cell (Formula, Do Not Override)** |  |
| **Calculated Cell (From PT Report)** |  |
| **Calculated Cell (From VV Report)** |  |
| **Fixed Rates (Do Not Override)** |  |
| **Exception** |  |

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| --- | --- | --- | --- | --- | --- | --- |
| **ALASKA DNR - OIL & GAS V 1.201212** | | | | | | |
| **REPORT TYPE** | | |  |  |  | AC |
| **REPORT CODE** | | |  |  |  | AL |
| **FILING YPE** | |  |  |  |  |  |
| **CUSTOMER ID NUMBER** | | |  |  |  |  |
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| **PRODUCTION MONTH** | | |  |  |  |  |
| **REVISION NO.** | | |  |  |  |  |
| **REPORT MONTH** | | |  |  |  |  |
| **CONTROL NUMBER** | | |  |  |  |  |
| **AUTHORIZED DATE** | | |  |  |  |  |
| **LEASE NUMBER** | | |  |  |  |  |
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| **LESSEE NAME** | | |  |  |  |  |
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| **ADDRESS1** |  | |  |  |  |  |
| **ADDRESS2** |  | |  |  |  |  |
| **CITY** |  | |  |  |  |  |
| **STATE** |  | |  |  |  |  |
| **ZIP** |  | |  |  |  |  |
| **PREPARER** |  | |  |  |  |  |
| **PREPARER PHONE NUMBER** | | | |  |  |  |
| **PREPARER FAX NUMBER** | | | |  |  |  |
| **AUTHORIZED SIGNATURE (CODE)** | | | |  |  |  |
| **AUTHORIZED SIGNATURE (Printed Name)** | | | | |  |  |
| **PHONE NUMBER** | | |  |  |  |  |
| **FAX NUMBER** | | |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **LINE NO.** | **ACCOUNTING UNIT** | **ACCOUNT CODE** | **ALLOCATION CODE** | **RATE** | **AMOUNT** | **CODE NAME** | **FORMULA** | **DATA SOURCE** |
| 1 | LEASE | DV | BEGB |  | 0.00 | Beginning Balance | The DV BEGB is the “Development Account Ending Balance” (DV ENDB) from the previous “Production Month” AC Report for the lease, unless the previous months DV ENDB is a credit (negative balance). If this is the case, the DV BEGB in the current month would be 0 | Previous Production Month |
| 2 | LEASE | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 3 | ENDI | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 4 | EXP3 | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 5 | LEASE | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 6 | ENDI | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 7 | EXP3 | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 8 | LEASE | DV | CWP |  | 1,500,000.12 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 9 | ENDI | DV | CWP |  | 0.00 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 10 | EXP3 | DV | CWP |  | 0.00 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 11 | LEASE | DV | DCW |  | 1,000,000.56 | Drilling Costs- Well |  | Reported by Lessee |
| 12 | ENDI | DV | DCW |  | 0.00 | Drilling Costs- Well |  | Reported by Lessee |
| 13 | EXP3 | DV | DCW |  | 0.00 | Drilling Costs- Well |  | Reported by Lessee |
| 14 | LEASE | DV | WLE |  | 100,000.77 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 15 | ENDI | DV | WLE |  | 0.00 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 16 | EXP3 | DV | WLE |  | 0.00 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 17 | LEASE | DV | AAOH |  | 0.00 | Audit Adjustments- Overhead Items |  | Reported by Lessee |
| 18 | LEASE | DV | TOI |  | 2,600,001.45 | Total Overhead Items | **SUM ( DV EPPD, DV CPD, DV CWP, DV DCW, DV WLE,**  **DV AAOH) = Lines 2 through 17.** | Formula |
| 19 | LEASE | DV | OVHR | 3.00000% | 0.00 | General Overhead and Admin. Expense Rate | **0.03** | Default to Number Stored in Database |
| 20 | LEASE | DV | GOAE |  | 78,000.04 | General Overhead and Admin. Expenses | **( DV TOI X DV OVHR ) = Line 18 times Line 19.** | Formula |
| 21 | ENDI | DV | RLP |  | 0.00 | Rentals/Licenses/Permits |  | Reported by Lessee |
| 22 | ENDI | DV | API |  | 0.00 | Cost to Acquire Production Interest |  | Reported by Lessee |
| 23 | ENDI | DV | PPT |  | 0.00 | Pre-Production Taxes |  | Reported by Lessee |
| 24 | ENDI | DV | RTO |  | 0.00 | Reimbursements to Operator |  | Reported by Lessee |
| 25 | ENDI | DV | EIC |  | 0.00 | Exploration Incentive Credit |  | Reported by Lessee |
| 26 | LEASE | DV | PTDC |  | -460,234.31 | Petroleum Production Tax lease Allowance Development Account Credits | PTDC from PT Report for the lease for the month | From PT Report |
| 27 | LEASE | DV | AANOH |  | 0.00 | Audit Adjustments- Non- Overhead Items |  | Reported by Lessee |
| 28 | LEASE | DV | CAPF |  | 768,000.12 | Capital Access Fee – Milne Point Leases Only |  | From VV Report |
| 29 | LEASE | DV | TOTDC |  | 2,985,767.30 | Total Development Costs | **SUM (DV TOI, DV GOAE, DV RLP, DV API, DV PPT, DV RTO, DV EIC, DV PTDC, DV AANOH, DV CAPF ) = Line 18 with Lines 20 through 28.** | Formula |
| 30 | LEASE | DV | CPR |  | -49,075,733.93 | Credit from Production Revenue | **If ( PR PREV > 0, 0, PR PREV) If Line 70 > 0, 0, Line 70.** | Formula |
| 31 | LEASE | DV | PEB |  | -46,089,966.63 | Preliminary Ending Balance | **SUM ( DV BEGB + DV TOTDC + DV CPR ) = Lines 1 , 29 and 30.** | Formula |
| 32 | LEASE | DV | PRIN |  | 0.00 | Principal | **IF( DV PEB < 0 , 0 , (( DV BEGB + DV PEB ) X .5 ))) =**  **IF ( Line 31 < 0 , 0 , (( Line 1 + Line 31) X .5 )))** | Formula |
| 33 | LEASE | DV | IR | 0.64516% | 0.00 | Interest Rate |  | Default to Number Stored in Database |
| 34 | LEASE | DV | AINT |  | 0.00 | Accrued Interest | **DV PRIN X DV IR = Line 32 X Line 33** | Formula |
| 35 | LEASE | DV | DEV |  | -46,089,966.63 | Development Account Credit Ending Balance | **DV PEB + DV AINT = Line 31 + Line 34** | Formula |
| 36 | LEASE | DV | ENDB |  | -46,089,966.63 | Ending Balance | **= DV DEV = Line 36** | Formula |
| 37 | LEASE | NP | DEV |  | 46,089,966.63 | Development Acct Credit Ending Balance | **IF ( DV DEV > 0, 0, - DV ENDB ) =**  **IF ( Line 35 > 0, 0, - Line 36 )** | Formula |
| 38 | LEASE | NP | NPR | 40.00000% |  | Net Profit Share Rate | **As specified in the lease.** | Default to Number Stored in Database |
| 39 | LEASE | NP | TAD |  | 18,435,986.65 | Total Amount Due | **NP DEV X NP NPR = Line 37 X Line 38** | Formula |
| 40 | LEASE | NP | REVPD |  | 0.00 | Revision Principal Difference | **Used when filing a revision greater than 00. Report the Principal Difference of previously filed NP TAD revision with the current NP TAD.** | Reported by Lessee |
| 41 | LEASE | NP | REVID |  | 0.00 | Revision Interest Difference | **Used when filing a revision greater than 00. Report the Interest calculated on the Principal Difference for the current NP REVPD (Line 40).** | Reported by Lessee |
| 42 | LEASE | NP | REVTD |  | 0.00 | Revision Total Difference | **Used when filing a revision greater than 00. NP REVPD + NP REVID = Line 40 + Line 41** | Formula |
| 43 | LEASE | PR | BEGB |  | 0.00 | Beginning Balance | **Report the previous month’s AC Report PR ENDB for the lease.** | Default to Number Stored in Database |
| 44 | ENDI | PR | TCR |  | -78,170,230.07 | Total Credits (from VV) | **-1 x (Total Value credits by Accounting Unit from Current Month VV Report for the lease for the Accounting Unit)** | Formula |
| 45 | EXP3 | PR | TCR |  | 0.00 | Total Credits (from VV) | **-1 x (Total Value credits by Accounting Unit from Current Month VV Report for the lease for the Accounting Unit)** | Formula |
| 46 | ENDI | PR | PO |  | 3,000.66 | Production Operations Expense |  | Reported by Lessee |
| 47 | EXP3 | PR | PO |  | 0.00 | Production Operations Expense |  | Reported by Lessee |
| 48 | ENDI | PR | DL |  | 0.00 | Damages and Losses |  | Reported by Lessee |
| 49 | EXP3 | PR | DL |  | 0.00 | Damages and Losses |  | Reported by Lessee |
| 50 | ENDI | PR | OTH |  | 1,500.56 | Other Charges |  | Reported by Lessee |
| 51 | EXP3 | PR | OTH |  | 0.00 | Other Charges |  | Reported by Lessee |
| 52 | LEASE | PR | LR |  | 0.00 | Lease Rentals |  | Reported by Lessee |
| 53 | LEASE | PR | AAOH |  | 0.00 | Audit Adjustments- Overhead Items |  | Reported by Lessee |
| 54 | LEASE | PR | TOI |  | 4,501.22 | Total Overhead Items | **SUM ( PR PO, PR DL, PR OTH, PR LR, PR AAOH ) =**  **Sum ( Lines 46 through 53 )** | Formula |
| 55 | LEASE | PR | OVHR | 9.00000% | 0.00 | General Overhead and Admin. Expense Rate |  | Default to Number Stored in Database |
| 56 | LEASE | PR | GOAE |  | 405.11 | General Overhead and Admin. Expenses | **PR TOI X PR OVHR = Line 54 X Line 55** | Formula |
| 57 | ENDI | PR | TAC |  | 158,782.41 | Total Abandonment Cost (from VV) | **Total Abandonment Costs by Accounting Unit from VV Report.** | Formula |
| 58 | EXP3 | PR | TAC |  | 0.00 | Total Abandonment Cost (from VV) | **Total Abandonment Costs by Accounting Unit from VV Report.** | Formula |
| 59 | LEASE | PR | PTLA |  | 19,153,027.14 | Petroleum Production Tax Lease Allowance | PTLA from PT Report for the lease for the month. | From PT Report |
| 60 | LEASE | PR | PTLRC |  | 0.00 | Loss Carryforward Credit | PTLRC from PT Report for the lease for the month. | From PT Report |
| 61 | ENDI | PR | AVT |  | 1,500.88 | Ad Valorem Taxes |  | Reported by Lessee |
| 62 | EXP3 | PR | AVT |  | 0.00 | Ad Valorem Taxes |  | Reported by Lessee |
| 63 | ENDI | PR | NOP |  | 5,000.12 | Non Operator Charges |  | Reported by Lessee |
| 64 | EXP3 | PR | NOP |  | 0.00 | Non Operator Charges |  | Reported by Lessee |
| 65 | LEASE | PR | AANOH |  | 0.00 | Audit Adjustments- Non- Overhead Items |  | Reported by Lessee |
| 66 | LEASE | PR | TDC |  | 19,318,715.66 | Total Direct Charges | **SUM ( PR GOAE, PR TAC, PR PTLA, PR PTLRC, PR AVT,**  **PR NOP, PR AANOH ) = SUM ( Lines 56 Through 65 )** | Formula |
| 67 | ENDI | PR | TRYE |  | 9,771,279.26 | Total Royalty Expense Amount (from VV) | **SUM ALL RYE from VV Report for the Accounting Unit** | Formula |
| 68 | EXP3 | PR | TRYE |  | 0.00 | Total Royalty Expense Amount (from VV) | **SUM ALL RYE from VV Report for the Accounting Unit** | Formula |
| 69 | LEASE | PR | TDB |  | 29,094,496.14 | Total Debits | **SUM ( PR TOI, PR TDC, PR TRYE ) = SUM ( Lines 54, 66, 67, 68 )** | Formula |
| 70 | LEASE | PR | PREV |  | -49,075,733.93 | Production Revenue for the Month | **SUM PR BEGB, PR TCR, PR TDB = SUM ( Lines 43, 44, 45 + 69 )** | Formula |
| 71 | LEASE | PR | ENDB |  | 0.00 | Ending Balance | **IF ( PR PREV > 0, PREV , 0 ) = IF ( Line 70 > 0, Line 70, 0 )** | Formula |

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| **ALASKA DNR - OIL & GAS V 1.201212** | | | | | | |
| **REPORT TYPE** | | |  |  |  | AC |
| **REPORT CODE** | | |  |  |  | AL |
| **FILING YPE** | |  |  |  |  |  |
| **CUSTOMER ID NUMBER** | | |  |  |  |  |
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| **PRODUCTION MONTH** | | |  |  |  |  |
| **REVISION NO.** | | |  |  |  |  |
| **REPORT MONTH** | | |  |  |  |  |
| **CONTROL NUMBER** | | |  |  |  |  |
| **AUTHORIZED DATE** | | |  |  |  |  |
| **LEASE NUMBER** | | |  |  |  |  |
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| **ADDRESS2** |  | |  |  |  |  |
| **CITY** |  | |  |  |  |  |
| **STATE** |  | |  |  |  |  |
| **ZIP** |  | |  |  |  |  |
| **PREPARER** |  | |  |  |  |  |
| **PREPARER PHONE NUMBER** | | | |  |  |  |
| **PREPARER FAX NUMBER** | | | |  |  |  |
| **AUTHORIZED SIGNATURE (CODE)** | | | |  |  |  |
| **AUTHORIZED SIGNATURE (Printed Name)** | | | | |  |  |
| **PHONE NUMBER** | | |  |  |  |  |
| **FAX NUMBER** | | |  |  |  |  |

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| **LINE NO.** | **ACCOUNTING UNIT** | **ACCOUNT CODE** | **ALLOCATION CODE** | **RATE** | **AMOUNT** | **CODE NAME** | **FORMULA** | **DATA SOURCE** |
| 1 | LEASE | DV | BEGB |  | 20,000,000.19 | Beginning Balance | The DV BEGB is the “Development Account Ending Balance” (DV ENDB) from the previous “Production Month” AC Report for the lease, unless the previous months DV ENDB is a credit (negative balance). If this is the case, the DV BEGB in the current month would be 0 | Previous Production Month |
| 2 | LEASE | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 3 | ENDI | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 4 | EXP3 | DV | EPPD |  | 0.00 | Exploration Pre and Post Drilling |  | Reported by Lessee |
| 5 | LEASE | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 6 | ENDI | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 7 | EXP3 | DV | CPD |  | 0.00 | Construction Project Design Costs |  | Reported by Lessee |
| 8 | LEASE | DV | CWP |  | 20,000.12 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 9 | ENDI | DV | CWP |  | 0.00 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 10 | EXP3 | DV | CWP |  | 0.00 | Cost of Capital Work-in-Progress |  | Reported by Lessee |
| 11 | LEASE | DV | DCW |  | 10,000.56 | Drilling Costs- Well |  | Reported by Lessee |
| 12 | ENDI | DV | DCW |  | 0.00 | Drilling Costs- Well |  | Reported by Lessee |
| 13 | EXP3 | DV | DCW |  | 0.00 | Drilling Costs- Well |  | Reported by Lessee |
| 14 | LEASE | DV | WLE |  | 5,000.77 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 15 | ENDI | DV | WLE |  | 0.00 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 16 | EXP3 | DV | WLE |  | 0.00 | Well & Lease Equipment Costs |  | Reported by Lessee |
| 17 | LEASE | DV | AAOH |  | 0.00 | Audit Adjustments- Overhead Items |  | Reported by Lessee |
| 18 | LEASE | DV | TOI |  | 35,001.45 | Total Overhead Items | **SUM ( DV EPPD, DV CPD, DV CWP, DV DCW, DV WLE,**  **DV AAOH) = Lines 2 through 17.** | Formula |
| 19 | LEASE | DV | OVHR | 3.00000% | 0.00 | General Overhead and Admin. Expense Rate | **0.03** | Default to Number Stored in Database |
| 20 | LEASE | DV | GOAE |  | 1,050.04 | General Overhead and Admin. Expenses | **( DV TOI X DV OVHR ) = Line 18 times Line 19.** | Formula |
| 21 | ENDI | DV | RLP |  | 0.00 | Rentals/Licenses/Permits |  | Reported by Lessee |
| 22 | ENDI | DV | API |  | 0.00 | Cost to Acquire Production Interest |  | Reported by Lessee |
| 23 | ENDI | DV | PPT |  | 0.00 | Pre-Production Taxes |  | Reported by Lessee |
| 24 | ENDI | DV | RTO |  | 0.00 | Reimbursements to Operator |  | Reported by Lessee |
| 25 | ENDI | DV | EIC |  | 0.00 | Exploration Incentive Credit |  | Reported by Lessee |
| 26 | LEASE | DV | PTDC |  | -6,685.71 | Petroleum Production Tax Lease Allowance Development Account Credits | PTDC from PT Report for the lease for the month | From PT Report |
| 27 | LEASE | DV | AANOH |  | 0.00 | Audit Adjustments- Non- Overhead Items |  | Reported by Lessee |
| 28 | LEASE | DV | CAPF |  | 0.00 | Capital Access Fee - Milne Point Leases Only |  | From VV Report |
| 29 | LEASE | DV | TOTDC |  | 29,365.78 | Total Development Costs | **SUM (DV TOI, DV GOAE, DV RLP, DV API, DV PPT, DV RTO, DV EIC, DV PTDC, DV AANOH, DV CAPF ) = Line 18 with Lines 20 through 28.** | Formula |
| 30 | LEASE | DV | CPR |  | -48,845.33 | Credit from Production Revenue | **If ( PR PREV > 0, 0, PR PREV) If Line 70 > 0, 0, Line 70.** | Formula |
| 31 | LEASE | DV | PEB |  | 19,980,520.64 | Preliminary Ending Balance | **SUM ( DV BEGB + DV TOTDC + DV CPR ) = Lines 1 , 29 and 30.** | Formula |
| 32 | LEASE | DV | PRIN |  | 19,990,260.42 | Principal | **IF( DV PEB < 0 , 0 , (( DV BEGB + DV PEB ) X .5 ))) =**  **IF ( Line 31 < 0 , 0 , (( Line 1 + Line 31) X .5 )))** | Formula |
| 33 | LEASE | DV | IR | 0.64516% |  | Interest Rate |  | Default to Number Stored in Database |
| 34 | LEASE | DV | AINT |  | 128,969.16 | Accrued Interest | **DV PRIN X DV IR = Line 32 X Line 33** | Formula |
| 35 | LEASE | DV | DEV |  | 20,109,489.80 | Development Account Credit Ending Balance | **DV PEB + DV AINT = Line 31 + Line 34** | Formula |
| 36 | LEASE | DV | ENDB |  | 20,109,489.80 | Ending Balance | **= DV DEV = Line 36** | Formula |
| 37 | LEASE | NP | DEV |  | 0.00 | Development Acct Credit Ending Balance | **IF ( DV DEV > 0, 0, - DV ENDB ) =**  **IF ( Line 35 > 0, 0, - Line 36 )** | Formula |
| 38 | LEASE | NP | NPR | 40.00000% |  | Net Profit Share Rate | **As specified in the lease.** | Default to Number Stored in Database |
| 39 | LEASE | NP | TAD |  | 0.00 | Total Amount Due | **NP DEV X NP NPR = Line 37 X Line 38** | Formula |
| 40 | LEASE | NP | REVPD |  | 0.00 | Revision Principal Difference | **Used when filing a revision. Report the Principal Difference of previously filed NP TAD revision with the current NP TAD.** | Reported by Lessee |
| 41 | LEASE | NP | REVID |  | 0.00 | Revision Interest Difference | **Used when filing a revision. Report the Interest calculated on the Principal Difference for the current NP REVPD (Line 40).** | Reported by Lessee |
| 42 | LEASE | NP | REVTD |  | 0.00 | Revision Total Difference | **Used when filing a revision. NP REVPD + NP REVID = Line 40 + Line 41** | Formula |
| 43 | LEASE | PR | BEGB |  | 0.00 | Beginning Balance | **Report the previous month’s AC Report PR ENDB for the lease.** | Default to Number Stored in Database |
| 44 | ENDI | PR | TCR |  | -86,836.51 | Total Credits | **-1 x (Total Value credits by Accounting Unit from Current Month VV Report for the lease for the Accounting Unit)** | Formula |
| 45 | EXP3 | PR | TCR |  | 0.00 | Total Credits | **-1 x (Total Value credits by Accounting Unit from Current Month VV Report for the lease for the Accounting Unit)** | Formula |
| 46 | ENDI | PR | PO |  | 5,000.66 | Production Operations Expense |  | Reported by Lessee |
| 47 | EXP3 | PR | PO |  | 0.00 | Production Operations Expense |  | Reported by Lessee |
| 48 | ENDI | PR | DL |  | 4,500.75 | Damages and Losses |  | Reported by Lessee |
| 49 | EXP3 | PR | DL |  | 0.00 | Damages and Losses |  | Reported by Lessee |
| 50 | ENDI | PR | OTH |  | 5,500.33 | Other Charges |  | Reported by Lessee |
| 51 | EXP3 | PR | OTH |  | 0.00 | Other Charges |  | Reported by Lessee |
| 52 | LEASE | PR | LR |  | 0.00 | Lease Rentals |  | Reported by Lessee |
| 53 | LEASE | PR | AAOH |  | 0.00 | Audit Adjustments- Overhead Items |  | Reported by Lessee |
| 54 | LEASE | PR | TOI |  | 15,001.74 | Total Overhead Items | **SUM ( PR PO, PR DL, PR OTH, PR LR, PR AAOH ) =**  **Sum ( Lines 46 through 53 )** | Formula |
| 55 | LEASE | PR | OVHR | 9.00000% | 0.00 | General Overhead and Admin. Expense Rate |  | Default to Number Stored in Database |
| 56 | LEASE | PR | GOAE |  | 1,350.16 | General Overhead and Admin. Expenses | **PR TOI X PR OVHR = Line 54 X Line 55** | Formula |
| 57 | ENDI | PR | TAC |  | 10.81 | Total Abandonment Cost | Total Abandonment Costs by Accounting Unit from VV Report. | Formula |
| 58 | EXP3 | PR | TAC |  | 0.00 | Total Abandonment Cost | Total Abandonment Costs by Accounting Unit from VV Report. | Formula |
| 59 | LEASE | PR | PTLA |  | 4,272.40 | Petroleum Production Tax Lease Allowance | PTLA from PT Report for the lease for the month | From PT Report |
| 60 | LEASE | PR | PTLRC |  | 0.00 | Loss Carryforward Credit | PTLRC from PT Report for the lease for the month. | From PT Report |
| 61 | ENDI | PR | AVT |  | 1,580.88 | Ad Valorem Taxes |  | Reported by Lessee |
| 62 | EXP3 | PR | AVT |  | 0.00 | Ad Valorem Taxes |  | Reported by Lessee |
| 63 | ENDI | PR | NOP |  | 5,000.12 | Non Operator Charges |  | Reported by Lessee |
| 64 | EXP3 | PR | NOP |  | 0.00 | Non Operator Charges |  | Reported by Lessee |
| 65 | LEASE | PR | AANOH |  | 0.00 | Audit Adjustments- Non- Overhead Items |  | Reported by Lessee |
| 66 | LEASE | PR | TDC |  | 12,134.37 | Total Direct Charges | **SUM ( PR GOAE, PR TAC, PR PTLA, PR PTLRC, PR AVT,**  **PR NOP, PR AANOH ) = SUM ( Lines 56 Through 65 )** | Formula |
| 67 | ENDI | PR | TRYE |  | 10,855.07 | Total Royalty Expense Amount | **SUM ALL RYE from VV Report for the Accounting Unit** | Formula |
| 68 | EXP3 | PR | TRYE |  | 0.00 | Total Royalty Expense Amount | **SUM ALL RYE from VV Report for the Accounting Unit** | Formula |
| 69 | LEASE | PR | TDB |  | 37,991.18 | Total Debits | **SUM ( PR TOI, PR TDC, PR TRYE ) Lines 54, 66, 67, 68.** | Formula |
| 70 | LEASE | PR | PREV |  | -48,845.33 | Production Revenue for the Month | **SUM PR BEGB, PR TCR, PR TDB = SUM ( Lines 43, 44, 45 + 69 )** | Formula |
| 71 | LEASE | PR | ENDB |  | 0.00 | Ending Balance | **IF ( PR PREV > 0, PREV , 0 ) = IF ( Line 70 > 0, Line 70, 0 )** | Formula |