



## Instructions

**Who Must File.** Every person filing the [Nebraska Severance and Conservation Tax Return, Form 61](#), must complete this schedule for resources severed from school lands. A separate schedule is to be completed for each Nebraska county in which oil or natural gas is severed from school lands. A computer printout reporting substantially the same information may be submitted in lieu of Nebraska Schedule I, Form 61.

**When And Where To File.** The return, schedules, and tax payment must be filed every month on or before the last day of the month following the month during which the resources were severed. A return must be filed even if there is no tax due. Schedule I, Form 61, must be mailed to the Nebraska Department of Revenue, PO Box 94818, Lincoln, NE 68509-4818, with Form 61, and the tax payment. Copies of Schedule I and Form 61 must also be mailed to the Nebraska Oil and Gas Conservation Commission, Box 399, Sidney, NE 69162-0399.

**Computations.** All quantities of oil are to be expressed in standard 42 gallon barrels on the basis of standard temperature corrections to 60 degrees Fahrenheit and computations made on the basis of tank tables computed to show 100% of actual capacity and an exact measurement of contents with deduction for full basic sediment and water (B.S.&W.) content.

All quantities of natural gas are to be expressed in thousand cubic feet (M.C.F.) and computed on the basis of standard temperature corrections to 60 degrees Fahrenheit at pressure base of 14.73 pounds per square inch (P.S.I.) absolute.

The total quantity and value of oil and natural gas severed are to be calculated net of any oil or natural gas used in producing or severing operations or for repressuring or recycling purposes.

### Specific Instructions

**OGCC Lease Number.** Enter the Nebraska Oil and Gas Conservation Commission (OGCC) lease number for each oil and natural gas lease reported on Schedule I. The OGCC lease number must be the same lease number that is reported on the operator's Nebraska Oil and Gas Conservation Commission Well Status and Monthly Production Report.

**Lease Name and Description.** Enter the lease name and description of each oil and natural gas lease reported on Schedule I. The lease name must be the same lease name as reported on the operator's Nebraska Oil and Gas Conservation Commission Well Status and Monthly Production Report.

**Columns A and B.** Only specific wells which produced stripper oil as defined below qualify for the reduced severance tax rate and can be included in columns A and B. If specific records for each well have not been maintained, the oil severed is subject to the three percent severance tax rate and is to be included in columns C and D.

#### Definitions.

**Base production level** means a property's production for the preceding 12 months divided by the number of producing well production days. Enhanced recovery injection wells may be counted as producing wells to determine the base production level for a property.

**Stripper oil** means oil produced from a property when the base production level is 10 or fewer barrels per day.

**Nonstripper oil** means oil produced from a property where the base production level is more than 10 barrels per day.

**Line 2.** Enter the total quantities and values in the appropriate columns of the following resources which are exempt from the computation of the severance and conservation tax:

1. Any interest of the United States, the State of Nebraska, or their political subdivisions in all oil, gas, or their proceeds;
2. Any interest of a Native American Indian or Native American Indian tribe in oil, gas, or their proceeds from land subject to U.S. supervision.