

Revenue Streams in Colorado

Commodity	State and County Assessed Taxes <i>On Federal, State, and Private Land</i>			Rents, Bonuses, and Royalties <i>On State Land</i>			Federal Revenue Streams		
	Revenue Category	Severance and License Taxes	Ad Valorem Taxes	Surcharges	Securing a Lease or Claim	Pre or Postponed Production	During or Post Production	Abandoned Mine Land (AML) Fees	U.S. Mineral Royalties
Oil and Gas	<p>Oil and Gas Severance Tax:</p> <ul style="list-style-type: none"> Gross income under \$25,000: 2% From \$25,000-\$99,000: \$500 and 3% of excess over \$24,999 From: \$100,000-\$299,999: \$2,750 and 4% of excess over \$99,999 \$300,000 and above: \$10,750 and 5% of excess over \$299,999 <p>Oil Shale Severance Tax: 1-4% of gross production beginning 180 days after commercial viability, with an exemption of 15,000 tons of oil shale or 10,000 barrels of shale oil per day, whichever is greater</p>	<p>Oil and Gas Property Tax: Oil and Gas properties are assessed at 87.5% of production value if primary well and 75% of production value if secondary well. The ad valorem tax rate itself varies from county to county, ranging from 4-15%</p>	<p>COGCC Levy: A rate not to exceed 0.17% (currently 0.07%) is imposed on the market value of all oil and natural gas produced, saved, sold, or transported to address environmental response needs</p>	<p>Mining Exploration Permit: Negotiated at a line mile rate</p> <p>Bonus: Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p>Annual Rent: Annual rental rate of \$2.50 per acre for the life of lease. State land and board oil and gas leases contain a five year term</p> <p>Bonding Requirements: Performance bond requirement ranges from \$25,000 per lease to a \$100,000 blanket bond</p>	<p>Royalties: Standard royalty rate of 20% with additional deductions allowed for post-production costs</p>			<p>Federal Royalties: The royalty rate for:</p> <ul style="list-style-type: none"> Onshore oil and gas production is 12.5% Surface mining is also 12.5% Underground mining is 8%
Coal	<p>Coal Severance Tax: The tax rate is based on changes in the producer price index, with an exemption for the first 300,000 tons produced each quarter. Underground production is allowed a 50% tax credit, and lignite coal is given a further 50% credit</p>			<p>Bonus: Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p>Rents: Annual rentals are \$3.00 per acre per year</p> <p>Advanced Minimum Royalty: Leases will require AMR payments based on amount per acre/estimated production volumes. Any AMR paid but not utilized will be surrendered</p>	<p>Minimum Royalty Pricing: 8% of Gross Sales Price (GSP) for underground mining, 12.5% of GSP for surface mining</p>	<p>AML Fees: Companies pay a per-ton fee to OSMRE</p> <ul style="list-style-type: none"> \$0.28/ton on surface mined coal \$0.12/ton on subsurface \$0.08/ton on lignite 		
Non-Energy Minerals	<p>Metallic Mineral Severance Tax: 2.25% of gross income that exceeds \$19 million. A credit for county ad valorem taxes is allowed for up to 50% of severance tax liability</p> <p>Molybdenum (Ore) Severance Tax: 5 cents per ton, with an exemption for the first 625,000 tons produced each quarter</p>			<p>Mining Exploration Permit: \$100.00</p> <p>Bonus: Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p>Rents: Annual rentals are \$3.00 per acre per year</p> <p>Advanced Minimum Royalty: Leases will require AMR payments based on amount per acre/estimated production volumes. Any AMR paid but not utilized will be surrendered</p>	<p>Minimum Royalty Pricing:</p> <ul style="list-style-type: none"> Precious metals: 10% of Gross Sales Price (GSP) Base Metals: 8% of GSP Fissionable Minerals: 5-10% of GSP 			
Renewables				<p>Planning Lease: Intended for due diligence phase, and does not allow for surface disturbance. Generally 1-2 years in length</p> <p>Exploration Permit: Provides permission to disturb surface, a bond is required to ensure remediation</p>	<p>Production Lease: Covers the construction and long term operation (typically 20-40 years)</p> <p>Rents: For utility scale projects there is a per acre ground rent, plus a minimum annual payment</p>	<p>Royalty: Structure based on Power Purchase Agreement and annual revenue the developer generates from sale of electricity</p>			