

Oil and Gas Tax
University of Houston Law Center
Spring 2017 Class Topics & Assignments

Class Number	Date	Description	Wright, <i>Oil & Gas Taxation . . . Back to the Basics</i>	Hennessee, <i>Oil & Gas Federal Income Taxation</i>
1 & 2	Jan. 18 & 23	Introduction to oil and gas operations and associated tax issues including discussion of industry, life cycle of an oil and gas investment and discussion of federal v. state/local law in federal income tax	Ch. 1	pp. 1-23
3 & 4	Jan. 25 & 30	Exploration -- discussion of geological and geophysical costs, shooting rights, and dry hole/bottom hole contribution agreements	Ch. 2	pp. 55, 147-157, 196
5 & 6	Feb. 1 & 6	Leasing transactions addressing bonus, royalties, delay rentals, net profits interests, production payments (in leasing transactions) and other payments	Ch. 3	pp. 61-64, 69-77, 81-105, 133-134
7, 8, 9 & 10	Feb. 8, 13, 15 & 20	Economic interest concept – the cornerstone of oil and gas taxation	Ch. 4	pp. 25-45
11, 12, 13 & 14	Feb. 22, 27 & March 1 & 6	Development -- discussion of oil and gas sharing and financing arrangements including pool of capital doctrine,	Ch. 5	pp. 45-52, 119-133, 134-137, 195-198, 201-218

		farmouts, carried interests and production payment financing		
	March 13-18	Spring Break		
15, 16, 17 & 18	March 8 & March 20, 22 & 27	Intangible drilling & development costs (IDC)	Ch. 6	pp. 159-200
19 & 20	March 29 & Apr. 3	Production -- discussion of property unit and tax elections as well as oil and gas unitization and pooling agreements	Ch. 7	pp. 251-267, 361-370
21, 22, 23 & 24	Apr. 5, 10, 12 & 17	Discussion of general depletion concepts and cost and percentage depletion issues in detail	Chs. 8-9	pp. 219-250, 269-359
25 & 26	Apr. 19 & 24	End of Life -- Discussion of sales and exchanges of oil and gas properties including lease and sublease transactions; discussion of property abandonments and claims of worthlessness	Chs. 10-11	pp. 371-402
27 & 28	Apr. 26 & TBD	Semester review including open question and answer forum		
	TBD	FINAL EXAM: 3 hr. in class exam		