

Oil and Gas Tax
University of Houston Law Center
Spring 2021 Class Topics & Assignments

Class Number	Date	Description	REQUIRED READING: Wright, <i>Oil and Gas Tax: A Comprehensive Study</i>, 1st Ed.	SUPPLEMENT AS NEEDED: Hennessee, <i>Oil & Gas Federal Income Taxation</i>, 2020 Ed.
1 & 2	Jan. 20 & 25	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. 1-48	pp. 1-23
3 & 4	Jan. 27 & Feb. 8	Exploration -- discussion of geological and geophysical costs, shooting rights, and dry hole/bottom hole contribution agreements	Ch. 2, pp. 49-88	pp. 55, 147-158, 196
5 & 6	Feb. 10 & Feb. 15	Leasing transactions addressing bonus, royalties, delay rentals, net profits interests, production payments (in leasing transactions) and other payments	Ch. 3, pp. 89-142	pp. 61-64, 69-77, 81-105, 133-134
7, 8, 9 & 10	Feb. 17, 22, 24 & Mar.1	Economic interest concept – the cornerstone of oil and gas taxation	Ch. 4, pp. 143-198	pp. 25-45
11, 12, 13 & 14	Mar. 3, 8, 10 & 22	Development -- discussion of oil and gas sharing and financing arrangements including pool of capital doctrine,	Ch. 5, pp. 199-270	pp. 45-52, 119-133, 134-137, 195-198, 202-218

Oil and Gas Tax Topics and Assignments
Spring 2020

		farmouts, carried interests and production payment financing		
	Mar. 15 - 20	Spring Break		
15, 16, 17 & 18	Mar. 24, 29, 31 & Apr.5	Intangible drilling & development costs (IDC)	Ch. 6, pp. 271-354	pp. 159-200
19 & 20	Apr. 7 & Apr. 12	Production -- discussion of property unit and tax elections as well as oil and gas unitization and pooling agreements	Ch. 7, pp. 355-396	pp. 253-269, 363-361
21, 22, 23 & 24	Apr. 14, 19, 21 & 26	Discussion of general depletion concepts and cost and percentage depletion issues in detail	Chs. 8-9, pp. 397-470	pp. 219-250, 269-361
25 & 26	Apr. 28 & May 3	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. 471-532	pp. 373-404
27	TBD	Semester review including open question and answer forum		
	TBD	FINAL EXAM: 3 hr. virtual exam		