

Oil and Gas Depletion Worksheet

(Keep for your records)

2020

Name(s) as shown on return

Tax ID Number

Description of property

Date placed in service

Cost Depletion calculation

1 Original basis of property

2 Accumulated depletion

3 Basis for depletion (line 1 - line 2)

4 Total recoverable units

5 Rate per unit (line 3 / line 4)

6 Number of units sold this year

7 Cost depletion (line 5 * line 6)

Percentage depletion calculation

8 Income from this property

9 Royalties and bonus payments paid ()

10 Gross production income (combine lines 8 and 9)

11 Lease bonus income

12 Other income

13 Total production income (combine lines 10 through 13)

14 Direct expenses ()

15 Allocated overhead expenses ()

16 Production income limit (combine lines 13 through 15)

17 Taxpayer's taxable income before depletion deduction

18 Taxable income limit (line 17 * 65%)

19 Current depletion (line 10 * depletion percentage)

20 Prior year carryover

21 Depletion before limits (line 19 + line 20)

22 Percentage depletion allowed (smallest of lines 16, 18, and 21)

23 Percentage depletion disallowed (line 21 - line 22)

24 **Current year depletion deduction (greater of line 7 or 22)**

Carryovers to 2021

Accumulated depletion (line 2 + line 24)

Percentage depletion carryover (lesser of lines 16 and 23)