

Crude Oil Windfall Profit Tax for 1983

By Michael Alexander*

The Congress designated the windfall profit tax to be temporary, with a 33-month gradual phaseout. This phaseout will begin in January 1988, if \$212 billion in net revenue (see Definitions) has been realized, but not later than January 1991. The total reported windfall profit tax liability for fiscal years 1980 through 1983 amounted to \$61 billion. Refunded overpayments, government royalty interests and estimated reductions in income tax resulting from the deductibility of windfall profit tax accounted for a negative \$28 billion.

The net revenue, or net budget effect as shown in the following table, for the first 4 fiscal years of the windfall profit tax is

estimated at \$33.3 billion. In the mid-session review of the President's Fiscal Year 1985 Budget, another \$19.8 billion in net revenue was projected for fiscal years 1984 through 1989, bringing the total net revenue projected through fiscal year 1989 to \$53.1 billion. Since the net revenue receipts from the windfall profit tax will fall far short of the targeted \$212 billion, the tax will most likely begin its phaseout in January 1991. The target amount of \$212 billion was the result of using projected oil prices which, as it turned out, were well above the actual prices. Actual prices have been falling for the past several years.

Estimated Windfall Profit Tax Receipts for Fiscal Years 1980-1983

[Millions of dollars]

	Cumulative 1980-1983	Fiscal Years			
		1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)
Total windfall profit tax liability as reported on Form 6047	\$61,020	\$6,934	\$23,425	\$18,458	\$12,203
Less refunds and credits for prior year overpayments:					
Form 1040	-944	0	-237	-445	-262
Form 1120	-1,452	0	-524	-290	-638
Form 843, 1040X, 1120X	-292	0	-173	-51	-68
Gross reported windfall profit tax liability less refunded overpayments	58,332	6,934	22,491	17,672	11,235
Less Federal royalty interests and the estimated reduction in individual and corporate income tax payments	-25,036	-2,613	-8,674	-8,219	-5,530
Net budget effect	33,296	4,321	13,817	9,453	5,705

Source: Crude Oil Windfall Profit Tax Annual Report to Congress on Net Receipts, Office of the Secretary of the Treasury, Office of Tax Analysis.

*Foreign Special Projects Section. Prepared under the direction of Charles Crossed, Acting Chief.

Windfall profit tax liability for the fourth quarter of 1983, after adjustments, was \$2.3 billion. This was the 11th consecutive quarter that windfall profit tax after adjustments has declined. The total windfall profit tax after adjustments reported since the enactment of the Crude Oil Windfall Profit Tax Act amounted to more than \$63 billion through December 1983. Of this total, \$10 billion was reported for 1980, \$26 billion for 1981, \$17 billion for 1982 and \$11 billion for 1983 (Figure A). The sharp increase in 1981 was largely due to the full decontrol of oil prices in January 1981 and the fact that the law had been in effect for only 10 months of 1980. The decrease in 1982 and 1983 can be attributed to lower removal prices and windfall profit, and to tax law changes.

The windfall profit tax reported for 1981, an increase of 162 percent from 1980, accounted for 41 percent of the total windfall profit tax liability during the 4-year period (Figure B). The full decontrol of oil prices in January

1981 caused the removal price (generally the price for which the oil is sold) to increase, which resulted in a quarterly tax liability after adjustments at a high of \$7.2 billion in the first quarter of 1981.

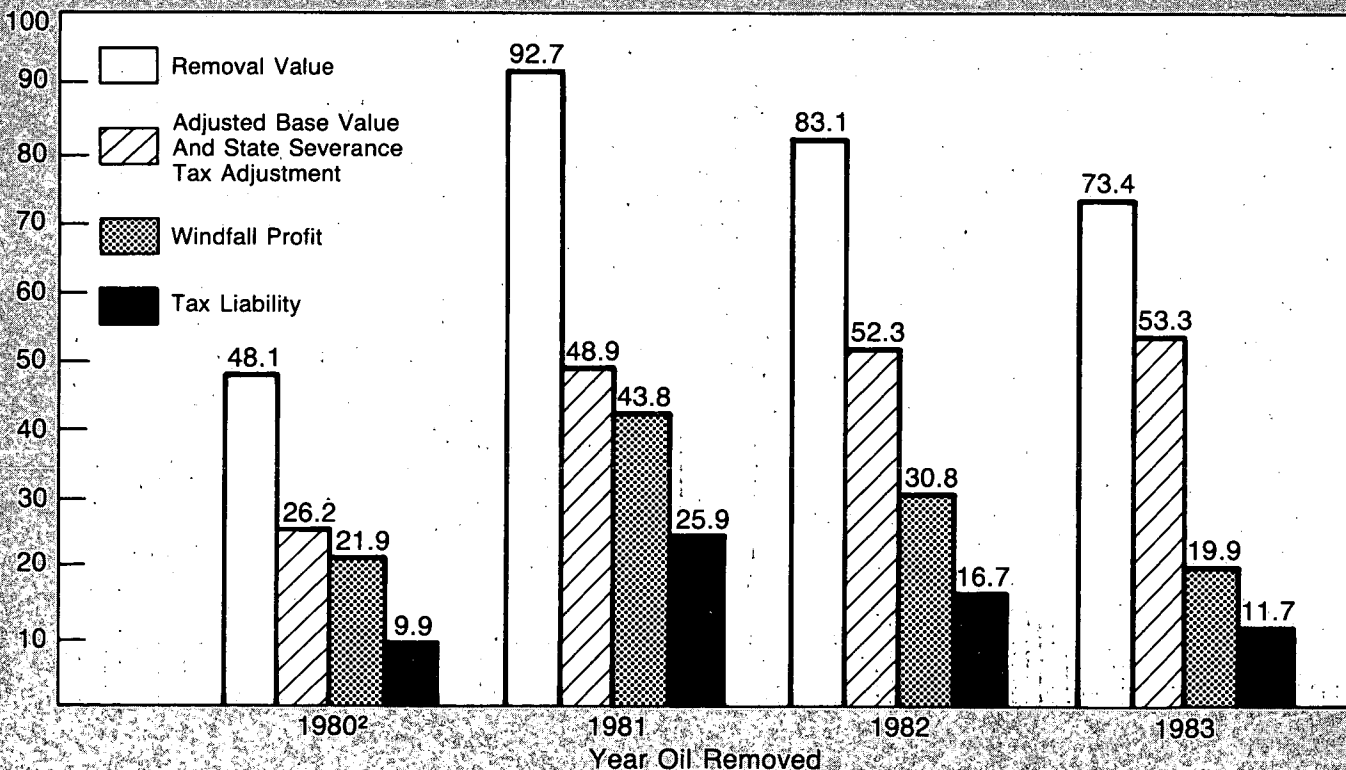
The continuing decline of windfall profit tax since the first quarter of 1981 could be attributed to a combination of decreased windfall profit as a result of declining removal prices and rising adjusted base prices, plus state severance taxes and tax law changes. Windfall profit, defined as the removal value less the sum of the adjusted base value and state severance tax adjustment, has declined by more than 61 percent from a high of \$11.9 billion in June 1981 to \$4.6 billion for the quarter ending December 1983 (Figure C).

Since June 1981, when the average removal price for domestic crude oil was at its height, the removal price has fallen by more than 21 percent from \$33.09 to \$26.04 per barrel for the current quarter (Figure D). The downward

Figure A

Components¹ of Windfall Profit Tax Liability After Adjustments: Aggregate Values by Year Oil Removed

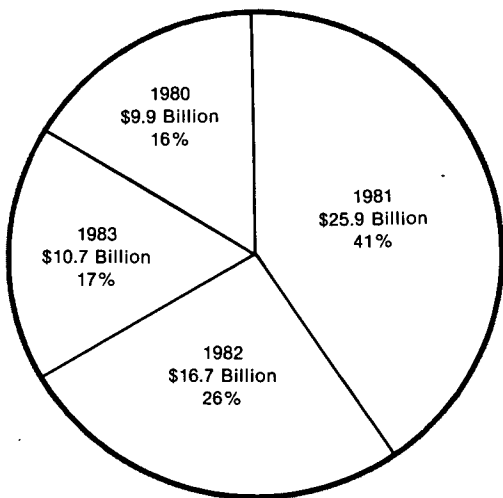
Billions of Dollars



¹ Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

² Represents only 10 months.

Figure B
Windfall Profit Tax Liability
by Year March 1, 1980
Through December 31, 1983

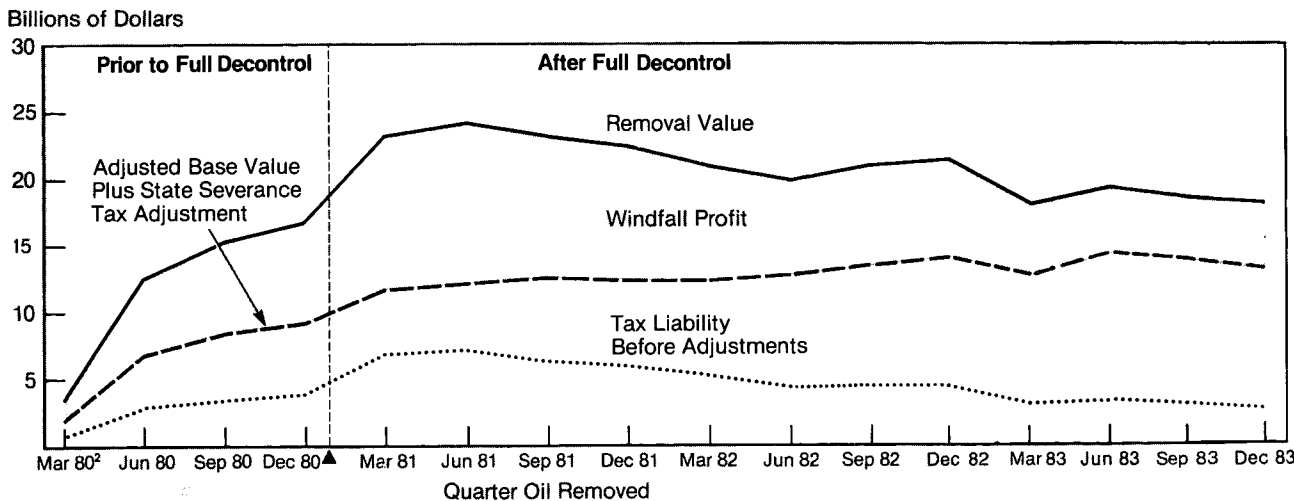


trend in the removal price began in early 1981 because of a decrease in U.S. demand for oil and gasoline, a result of a sluggish economy and increased conservation efforts. The declining prices continued through 1983, primarily because of an abundant supply of foreign crude oil relative to worldwide demand, which created a downward force on removal prices for U.S. domestic crude oil.

The sum of the adjusted base price and the state severance tax adjustment rose 19 percent from \$16.26 per barrel for the quarter ending December 1980 to \$19.33 for the current quarter. The adjusted base price increased chiefly as a result of an inflation adjustment derived from the Gross National Product (GNP) "implicit price deflator" [1].

Three major tax law changes resulting from the Economic Recovery Act of 1981 (ERTA) contributed to the decline in the windfall profit tax for oil removed after 1981. The tax rate for newly discovered oil was reduced from 30 percent in 1981 to 27.5 percent in 1982 and 25 percent in 1983. Another tax law change replaced the royalty owners tax credit with a more liberal exemption from the windfall profit tax for specified amounts of royalty production. Previously, a \$2,500 credit for windfall profit tax paid by royalty holders (\$1,000 for 1980) was allowed. The new law provided a two barrel

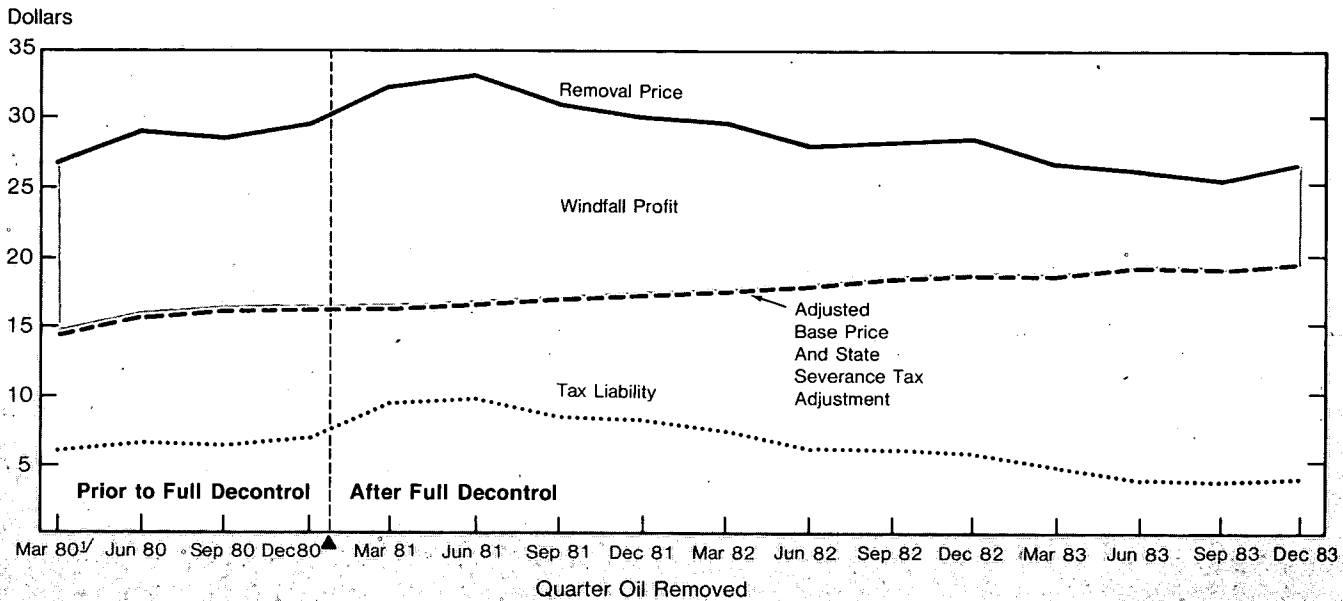
Figure C
Components¹ of Windfall Profit Tax Liability Before Adjustments:
Aggregate Values By Quarter Oil Removed



¹Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

²One month only.

Figure D
Components of Windfall Profit Tax Liability:
Averages per Barrel by Quarter Oil Removed



NOTE: Because of price controls during 1980, there were cases where the removal price was less than the adjusted base price and no Form 6047 was filed. The data in the figure are based on information reported.

¹/₃One month only.

per day exemption for qualified royalty owners. Almost 34 million barrels of oil were "certified" as exempt royalty oil in 1982 and 48 million barrels in 1983. The actual amount of exempt royalty production may be substantially greater because some royalty owners pay the tax on exempt oil and subsequently claim an income tax refund for the overpayment. The amount of taxable oil was further reduced in 1983 by the establishment of exempt stripper oil for independent producers beginning in 1983. More than 116 million barrels of stripper oil were claimed for the exemption for 1983.

The following table is a summary, by quarter, of tax liability before and after adjustments since the tax went into effect in 1980. The adjustments were necessary because of errors by withholding agents during previous quarters or, more frequently, reflect the application of the net income limitation. The net income limita-

tion adjustment amounted to -\$316 million, and adjustments to previous quarters were approximately -\$149 million, for a total adjustment of -\$465 million for the quarter ending December 1983.

The net income limitation generates an adjustment because this provision limits the windfall profit to 90 percent of the net income per barrel of oil and can be estimated by certain taxpayers for the current quarter. The adjustments to the previous quarter include under- or over-withholding from previous quarters that the depositing or withholding agent (usually the first purchaser) corrects by adjusting the amounts withheld in succeeding quarters. Producers can claim as a refund or a credit on their income tax returns additional over-withholding of windfall profit tax, due to error or the net income limitation that has not been corrected by the withholding agent.

Windfall Profit Tax Before and After Adjustments
(Millions of Dollars)

Quarter Ending	Tax Before Adjustments	Total Adjustments	Tax After Adjustments
Total	\$67,696	-\$4,405	\$63,291
Mar. 1980 ¹ ...	788	-	788
June 1980	2,842	-21	2,821
Sept. 1980 ...	3,413	-88	3,325
Dec. 1980	3,918	-927	2,991
Mar. 1981	6,953	+242	7,195
June 1981	7,253	-107	7,146
Sept. 1981 ...	6,344	-251	6,093
Dec. 1981	6,007	-497	5,510
Mar. 1982	5,222	-221	5,001
June 1982	4,283	-295	3,988
Sept. 1982 ...	4,404	-445	3,959
Dec. 1982	4,440	-634	3,806
Mar. 1983	3,320	-193	3,127
June 1983	2,951	-203	2,748
Sept. 1983 ...	2,822	-300	2,522
Dec. 1983	2,736	-465	2,271

¹One month only.

Percent of Taxable Oil Production by Tier of Oil

Quarter Ending	Tier One	Tier Two	Tier Three
Mar. 1980	53%	24%	23%
June 1980	52	29	19
Sept. 1980	54	26	20
Dec. 1980	53	25	22
Mar. 1981	73	13	24
June 1981	70	14	16
Sept. 1981	69	14	17
Dec. 1981	69	13	18
Mar. 1982	68	13	19
June 1982	67	13	20
Sept. 1982	65	13	22
Dec. 1982	65	12	23
Mar. 1983	68	9	23
June 1983	63	8	29
Sept. 1983	66	9	25
Dec. 1983	66	8	26

Based on returns of taxpayers who provided complete detail on windfall profit tax computation [2], tier one oil continued to dominate production for the quarter ended December 1983. Tier one oil (all domestically produced crude oil other than oil specifically classified as tier two or tier three, or oil explicitly exempted from the tax) represented 66 percent of total production. Tier two oil, which represented 8 percent of total production, is

oil produced from stripper well property not qualifying for the stripper exemption and oil from economic interests in a Naval Petroleum Reserve held by the United States. Tier three oil, which is heavy oil, incremental tertiary oil and newly discovered oil (63 percent of tier three), accounted for 26 percent of total production. Tier three oil, which is generally taxed at a rate lower than tier one oil, has accounted for a steadily increasing percentage of total production.

DATA SOURCES AND LIMITATIONS

The windfall profit tax is reported on the Quarterly Federal Excise Tax Return, Form 720. Form 6047, Windfall Profit Tax, shows how the tax is computed and is filed as an attachment to Form 720. Tabulations in this article are based on the Form 6047. Returns are due two months after the end of the quarter in which the oil is removed. Data are based on all returns with a tax liability of \$1 million or more before adjustments and a 10-percent sample of all other returns.

Sampling and nonsampling errors were controlled by a variety of methods. Although efforts were made to secure missing returns, some returns may have been omitted because of time and resource constraints. Attempts were made to correct imbalances in taxpayer entries for the components of windfall profit; if this proved impossible, an out-of-balance return was treated as a return on which the components were not reported, and therefore only the liability for each tier was tabulated. However, to account for returns not reporting the tax computation detail, the components were adjusted using a factor derived from the relationship of the tax liability for those reporting all tax computation detail to the total reported windfall profit tax liability. A number of verification checks were performed at all stages of manual data abstraction and computer tabulation.

The Statistics of Income Bulletin also includes data on excise tax collections. The excise tax collection figures show the liability after adjustments, as reported on Form 720, from returns entered into the IRS computerized Business Master File (BMF) each quarter. A number of considerations affect comparisons of data from these two sources. Returns are not due until 2 months after the close of the taxable quarter; however, the interval between the close of the taxable period and the final recording of the return often varies, so that the quarterly BMF totals usually represent several taxable periods. On the other hand, the data presented here have been tabulated for specific taxable periods. As a result, the two sets of statistics are not directly comparable.

DEFINITIONS

Brief definitions of the terms used in the tables are given.

Adjusted Base Price.--The base price multiplied by the inflation adjustment, which is derived from the Gross National Product (GNP) "implicit price deflator."

Adjustments to Liability.--Corrections applied to the current quarter's liability to correct for the net income limitation and over- and under-withholding in previous quarters.

Base Price.--For tier one oil, the upper tier ceiling price, as defined by Department of Energy price control regulations, which would have applied to the oil had it been produced and sold in May 1979, reduced by 21 cents. For tiers two and three oil, the base prices were \$15.20 and \$16.55, respectively, adjusted for grade and quality.

Crude Oil.--The term applies only to natural crude petroleum and does not include synthetic petroleum, such as oil from shale or tar sands. It does, however, include natural gas liquids treated as crude oil under the June 1979 energy pricing regulations issued by the Department of Energy.

Deposit Requirements.--The timing of any first purchaser to deposit amounts withheld depends on the identity of the first purchaser. Major refiners, other than independent refiners, are required to make semimonthly deposits of the withholding tax. All other first purchasers are required to make withholding deposits no later than 45 days after the oil is removed from the premises, except independent refiners that purchase oil under delayed payments contracts. They are required to make deposits by the first day of the third month beginning after the month of removal.

Exempt Alaskan Oil.--Oil from a reservoir other than the Sadlerochit reservoir that has been commercially exploited by any well north of the Arctic Circle; and oil produced north of the divides of the Alaska and Aleutian Ranges, and at least 75 miles from the nearest point of the Trans-Alaskan Pipeline System.

Exempt Charitable Oil.--Oil produced from economic interests held by qualified charitable medical facilities, educational institutions, and child care organizations (as defined in Internal Revenue Code section 170), if such interest was held on January 21, 1980, and at all times thereafter; and oil produced from interests held by a church on January 21, 1980, if, before January 22, 1980, the net proceeds of such oil were dedicated to the support of a medical facility, educational institution, or child care facility.

Exempt Governmental Oil.--Oil produced from an economic interest held by a state or a political subdivision (including agencies and instrumentalities), the net income from which is used for public purposes.

Exempt Indian Oil.--Oil produced from mineral interests held by or on behalf of Indian tribes or individuals on January 21, 1980, which is one of the following: (a) production received by Indian tribes and individuals from Tribal Trust Lands (the title to such land is held by the United States in trust for the tribes); (b) production from land or mineral interests held by an Indian tribe eligible for services provided to Indians by the Secretary of the Interior; or (c) oil, the proceeds from which are paid into the U.S. Treasury to the credit of tribal or native trust funds pursuant to law. This exemption also applies to production of any Alaskan Native Corporation prior to 1991, including wholly-owned subsidiaries of the native Indian corporation as clarified by IRS on September 3, 1982.

Exempt Royalty Oil.--Qualified royalty owners are exempt from the windfall profit tax on two barrels of oil per day for each day of the calendar quarter for oil removed after December 31, 1981. For 1985 and thereafter, three barrels per day will be exempt.

Exempt Stripper Oil.--Oil removed from stripper wells after 1982 may qualify for exemption from the windfall profit tax if the following conditions are met:

- 1 The oil must be removed from a stripper well property after 1982.
- 2 The oil must be produced by an independent producer.
- 3 The oil must be attributable to the independent producer's working interest in the property.
- 4 The stripper well property must not be a property transferred by a nonindependent producer on or after July 23, 1981.

Net Income Limitation.--The windfall profit on a barrel of oil may not exceed 90 percent of the net income attributable to the barrel.

Net Revenue.--This equals the gross, or excise tax (excluding that amount attributable to U.S. government interests), less the reduction of income tax resulting from taxpayers claiming deductions for windfall profit tax paid. Figures presented in this report are gross liabilities.

Removal Price.--Generally, the price for which a barrel of oil is sold. In some instances, a constructive sale price is used.

Sadlerochit Oil.--Crude oil production from the Sadlerochit reservoir in the Prudhoe Bay oil field in Alaska.

State Severance Tax Adjustment.--A tax imposed by a state with respect to the extraction of oil. The windfall profit is reduced by the amount by which the severance tax exceeds that which would have been imposed had the oil been valued at its adjusted base price.

Stripper Oil.--In general, oil from a property for which the average daily production per well has been 10 barrels or less for any consecutive 12-month period after 1972.

Tier One Oil.--All domestically produced crude oil other than any oil classified in tier two or three, or explicitly exempted by law from the tax. This includes the bulk of domestic oil from reservoirs proven to be productive before 1979.

Tier Two Oil.--Any oil from a stripper well property within the meaning of the June 1979 Department of Energy pricing regulations and oil from a U.S. economic interest in a Naval Petroleum Reserve. Note that the Crude Oil Windfall Profit Tax Act of 1980 defined tier two oil as from a "National" Petroleum Reserve. This was amended to read "Naval" Petroleum Reserve by the Technical Corrections Act of 1982.

Tier Three Oil, Heavy Oil.--All crude oil (1) produced from property that had a weighted average gravity of 16.0 degrees or less on the American Petroleum Institute (API) scale, corrected to 60 degrees Fahrenheit, for the last month of production before July 1979, or (2) oil from a property with a weighted average gravity of 16.0 degrees API or less, corrected to 60 degrees Fahrenheit, for the taxable period.

Tier Three Oil, Incremental Tertiary Oil.--Production in excess of a base level on a property on which a qualified tertiary recovery project (one using one of several specific chemical, fluid or gaseous recovery methods to extract oil not recoverable using standard techniques) has been undertaken. The non-incremental oil (i.e., the amount of production

up to the base level) remains in the otherwise applicable tier.

Tier Three Oil, Newly Discovered Oil.--Crude oil sold after May 31, 1979, and produced from (1) an outer continental shelf area for which the lease was entered into on or after January 1, 1979, and from which there was no production in Calendar Year 1978 or (2) an on-shore property developed after Calendar Year 1978.

Windfall Profit.--The excess of the removal price of the barrel of oil over the sum of the adjusted base price and the State severance tax adjustment.

NOTES AND REFERENCES

- [1] The inflation adjustment, calculated by the Internal Revenue Service, Research Division, is published quarterly in the Internal Revenue Bulletin. (See for example Internal Revenue Bulletin 1984-11, dated March 12, 1984.)
- [2] At the inception of the windfall profit tax (March 1980), taxpayers were not required to complete the detail of the Form 6047, which shows how the tax is computed. However, taxpayers have been required to provide full information as of January 1981.
- [3] Joint Committee on Taxation (Staff), General Explanation of the Crude Oil Windfall Profit Tax Act of 1980, U.S. Government Printing Office, 1981.
- [4] See also Belal, Carol, and Clark, Phil, "Windfall Profit Tax Liability for 1980," Statistics of Income Bulletin, Fall 1981, pp. 50-54.
- [5] See also Coleman, Michael, "Crude Oil Windfall Profit Tax for 1981," Statistics of Income Bulletin, Fall 1982, pp. 41-46.
- [6] See also Alexander, Michael, "Crude Oil Windfall Profit Tax for 1982," Statistics of Income Bulletin, Fall 1983, pp. 35-40.

Crude Oil Windfall Profit Tax, 1983

Table 1.--Windfall Profit Tax Liability by Oil Tier and Tax Rate for Quarter Ending December 1983 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	627,917	16,354	11,943	198	4,213	2,508
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	267,092	7,520	4,522	113	2,885	1,964
Taxed at 50 percent	22,505	652	385	16	251	124
Tier one, Sadlerochit oil:						
Taxed at 70 percent	119,642	2,096	2,013	13	70	49
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	49,361	1,394	993	17	384	208
Taxed at 30 percent	3,979	115	78	2	35	11
Tier three oil (taxed at 30 percent):						
Newly discovered oil ¹	103,939	3,059	2,598	29	432	104
Incremental tertiary oil	30,878	884	747	7	130	39
Heavy oil	30,520	634	606	(²)	28	9
Returns with total tax liability only	-	-	-	-	-	228 ³

¹Newly discovered oil is taxed at 25.0 percent beginning in 1983.²Less than \$500,000.³Also includes \$6 million for returns that reported by tier and type, but did not report data for columns 1-5.

NOTE: Detail may not add to total because of rounding.

Table 2.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for the Quarter Ending December 1983 Average Daily Production and Average Dollars per Barrel

Oil tier and tax rate	Daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	6,825	26.04	19.02	.31	6.71	3.99
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,903	28.15	16.93	.42	10.80	7.35
Taxed at 50 percent	245	28.96	17.10	.69	11.17	5.52
Tier one, Sadlerochit oil:						
Taxed at 70 percent	1,300	17.51	16.82	.11	.58	.41
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	537	28.23	20.11	.35	7.77	4.20
Taxed at 30 percent	43	28.89	19.61	.43	8.85	2.81
Tier three oil (taxed at 30 percent):						
Newly discovered oil ¹	1,130	29.43	24.99	.27	4.17	.99
Incremental tertiary oil	336	28.63	24.19	.23	4.21	1.26
Heavy oil	332	20.76	19.86	.01	.89	.27

¹Newly discovered oil is taxed at 25.0 percent beginning in 1983.

NOTE: Detail may not add to total because of rounding.

Table 3.--Windfall Profit Tax Liability by Oil Tier and Tax Rate for January - December 1983 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	2,279,406	59,912	42,713	918	16,281	9,682
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	1,017,982	28,497	17,083	569	10,845	7,477
Taxed at 50 percent	90,476	2,659	1,531	69	1,059	529
Tier one, Sadlerochit oil:						
Taxed at 70 percent	386,914	6,745	6,430	52	263	185
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	183,044	5,219	3,653	67	1,499	822
Taxed at 30 percent	12,978	382	264	6	112	35
Tier three oil (taxed at 30 percent):						
Newly discovered oil ¹	383,369	11,402	9,374	129	1,899	457
Incremental tertiary oil	90,124	2,632	2,154	25	453	133
Heavy oil	114,521	2,376	2,225	1	150	45
Returns with total tax liability only	-	-	-	-	-	247 ²

¹Newly discovered oil is taxed at 25.0 percent beginning in 1983.²Also includes \$48 million for returns that reported by tier and type, but did not report data for columns 1-5.
NOTE: Detail may not add to total because of rounding.

Table 4.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for January - December 1983 Average Daily Production and Average Dollars per Barrel

Oil tier and tax rate	Daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	6,245	26.28	18.74	.40	7.14	4.25
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,789	27.99	16.78	.56	10.65	7.34
Taxed at 50 percent	248	29.39	16.92	.76	11.70	5.85
Tier one, Sadlerochit oil:						
Taxed at 70 percent	1,060	17.43	16.62	.13	.68	.48
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	501	28.51	19.96	.37	8.19	4.49
Taxed at 30 percent	36	29.43	20.34	.46	8.63	2.70
Tier three oil (taxed at 30 percent):						
Newly discovered oil ¹	1,050	29.74	24.45	.34	4.95	1.19
Incremental tertiary oil	247	29.20	23.90	.28	5.03	1.48
Heavy oil	314	20.75	19.43	.01	1.31	.39

¹Newly discovered oil is taxed at 25.0 percent beginning in 1983.

NOTE: Detail may not add to total because of rounding.

Crude Oil Windfall Profit Tax, 1983

Table 5.--Exempt Oil Volume by Tier and Category, Quarter Ending December 1983

[Thousands of barrels]

	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	78,024	19,275	41,075	16,294	802	578
Exempt governmental interest	17,549	13,449	789	2,535	379	398
Exempt charitable interest	952	448	282	109	101	12
Exempt Indian oil	1,666	412	1,059	170	17	9
Exempt Alaskan oil	7,639	48	-	7,590	-	-
Exempt Royalty oil	14,661	4,918	3,388	5,890	306	160
Exempt Stripper oil	35,557	-	35,557	-	-	-

NOTE: Detail may not add to total because of rounding.

Table 6.--Exempt Oil Volume by Tier and Category, January - December 1983

[Thousands of barrels]

	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	265,753	67,303	138,212	55,271	2,476	2,490
Exempt governmental interest	64,474	49,353	2,598	9,405	1,255	1,863
Exempt charitable interest	3,254	1,596	976	484	159	36
Exempt Indian oil	4,094	1,513	1,859	651	46	26
Exempt Alaskan oil	29,549	142	583	28,823	-	-
Exempt Royalty oil	48,315	14,699	16,129	15,906	1,014	568
Exempt Stripper oil	116,067	-	116,067	-	-	-

NOTE: Detail may not add to total because of rounding.