

20-1445



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CENTRALLY ASSESSED PROPERTY
VALUATION APPEAL FORM

ASSESSMENT
YEAR
2020
REV. 01/2020

TAXPAYER INFORMATION

(a) UTAH TAX ACCOUNT NAME: **DELHI-Trading, LLC** (b) UTAH TAX ACCOUNT ID: **14364199-005-PCA**

- (c) INDUSTRY TYPE
- Coal
 - Coal Load-out
 - Land-Only
 - Non-Metalliferous Mining
 - Metalliferous Mining
 - Oil & Gas Gathering
 - Oil & Gas Production
 - Oil & Gas Water Disposal
 - Sand & Gravel
 - Uranium
 - Air Carrier
 - Electric Generation
 - Electric Rural
 - Electric Utility
 - Gas Pipeline
 - Gas Utility
 - Ground Access
 - Liquid Pipeline
 - Railroad
 - Telecommunications
 - Railcar

(d) NAME OF TAXPAYER COMPANY CONTACT: **PATRICK HEGARTY** COMPANY POSITION: **Managing Member**

TAXPAYER ADDRESS (LINE 1): **P.O. Box 157** E-MAIL ADDRESS: **patrick.hegarty@DELHI-Trading.com**

TAXPAYER ADDRESS (LINE 2): TELEPHONE NUMBER: **505-330-3210**

CITY: **FLORA VISTA** STATE: **NM** ZIP CODE: **87415** FAX NUMBER:

TAXPAYER REPRESENTATIVE/PETITIONER'S INFORMATION

(e) PETITIONER'S NAME: **Same as above** PETITIONER'S EMPLOYER:

PETITIONER'S ADDRESS (LINE 1): E-MAIL ADDRESS:

PETITIONER'S ADDRESS (LINE 2): TELEPHONE NUMBER:

CITY: STATE: ZIP CODE: FAX NUMBER:

VALUATION INFORMATION

(f) STATE TAX COMMISSION VALUE: **\$949,410.00** (g) PETITIONER'S ESTIMATE OF FAIR MARKET VALUE: **Peradox zero Maantee \$456,167** DIFFERENCE IN VALUE: **\$493,243.00**

AFFECTED COUNTIES (PLEASE CHECK ALL THAT APPLY)

- BEAVER
- BOX ELDER
- CACHE
- CARBON
- DAGGETT
- DAVIS
- DUCHESNE
- EMERY
- GARFIELD
- GRAND
- IRON
- JUAB
- KANE
- MILLARD
- MORGAN
- PIUTE
- RICH
- SALT LAKE
- SAN JUAN
- SANPETE
- SEVIER
- SUMMIT
- TOOELE
- UINTAH
- UTAH
- WASATCH
- WASHINGTON
- WAYNE
- WEBER

ADDITIONAL INFORMATION

(i-1) PLEASE STATE THE REASON FOR RELIEF INCLUDING THE STATEMENT OF FACTS, SUMMARY OF ARGUMENTS, AND AUTHORITIES RELIED ON:
(ATTACH ADDITIONAL SHEETS AS NEEDED)

SEE attached

(m) SIGNATURE: **Patrick Hegarty** DATE: **7.30.2020**

**DELHI-TRADING, LLC
PATRICK Hegarty
MANAGING member**



Utah State Tax Commission
Property Tax Division
2020 Notice of Valuation
DETAIL BY TAX AREA
Oil & Gas Production

r1L099

DELHI TRADING LLC

Account Number: 14364199-005-PCA

Location Id 18874 Name: CAZADOR UNIT 1-4
Unit Name CAZADOR UNIT 1-4
PLSS: 370S 250E 31 SLBM
UTME, UTMN: 658457, 4154265

Unit Id: 18874
API Number 43-037-31452
Depth / Status 5850 / S

Land	Improvements	CWIP	Prs. Prop	Allocation
\$0	\$0	\$0	\$7,209	\$0

Total Taxable Value: \$7,209

Total Tax Area Land Taxable Value:	\$0
Total Tax Area Improvement Taxable Value:	\$0
Total Tax Area Personal Property Taxable Value:	\$68,231
Total Tax Area CWIP Taxable Value:	\$0
Total Tax Area Allocated Income Taxable Value:	\$392,443
Total Taxable Value for Tax Area 001-0000	\$460,674

Total for County: San Juan

\$460,674

County: Uintah

Tax Area: 001-0000

County Key: 50-01-64199

Location Id 70071 Name: MANATEE FED 1
Unit Name MANATEE FED 1
PLSS: 100S 180E 09 SLBM
UTME, UTMN: 594590, 4423073

Unit Id: 71950
API Number 43-047-35798
Depth / Status 5000 / P

Land	Improvements	CWIP	Prs. Prop	Allocation
\$0	\$0	\$0	\$32,569	\$456,167

Total Taxable Value: \$488,736

Total Tax Area Land Taxable Value:	\$0
Total Tax Area Improvement Taxable Value:	\$0
Total Tax Area Personal Property Taxable Value:	\$32,569
Total Tax Area CWIP Taxable Value:	\$0
Total Tax Area Allocated Income Taxable Value:	\$456,167
Total Taxable Value for Tax Area 001-0000	\$488,736

Total for County: Uintah

\$488,736

Total for: DELHI TRADING LLC

\$949,410

Production Service, Inc.

P.O. Box 73
17179 Co. Rd. G

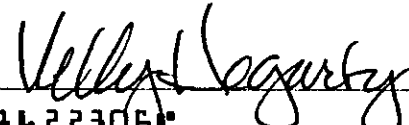
Invoice

Date	Invoice #
7/6/2020	2823

Bill To
DELHI-TRADING LLC PATRICK/KELLY HEGARTY P.O. BOX 157 FLORA VISTA, NM 87415

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
	PROVIDED LABOR AND EQUIPMENT TO PUMP THE FOLLOWING LEASES FOR THE MONTH OF JUNE, 2020.	0.00	0.00
	CAZADOR 1-1	125.00	125.00
	CAZADOR 1-2	125.00	125.00
	CAZADOR 1-4	125.00	125.00
	MCCRACKEN SPRINGS 2-31	500.00	500.00
	TAOS STATE 41-36	125.00	125.00
	TAOS SWD	125.00	125.00
8	LABORER-6/4/20-CAZ 1-2-MEET TRUCKS AND HOT OIL FLOW LINES.	40.00	320.00
8	TRUCK & TOOLS	30.00	240.00

HEGARTY & ASSOCIATES DELHI-Trading, LLC P.O. Box 157 Flora Vista, NM 87415 (505) 330-3210, (505) 320-4989		2837 <small>CITIZENS Bank</small> 95-207/1022
PAY TO THE ORDER OF <u>Production Service, Inc.</u>		DATE <u>7.12.2020</u>
<u>one thousand six eighty five & 00/100 cents</u>		\$ <u>1685.00</u> DOLLARS
Citizens Bank <small>Aztec Branch 215 South Main Avenue Aztec, NM 87410</small>		
FOR INV# <u>2823 - JUNE 20 pumper</u>		<small>0231422306</small>
<small>#002837# 102202078</small>		

	Total	\$1,685.00
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OwnerRelations Connect Report

Created 04/23/2020 at 3:50:33 PM

Checks by Owner

For Owner#: 706813

For Check Date: 04/17/2020 to: 04/21/2020

#	Check#	Check Date	Property#	Property Name	Production Date	Product Type	Int Type	Owner Vol	Owner Gross	Owner Tax	Owner Deducts	Owner Net	Sender	
1	000030000156	04/20/2020	00302997-00001	CAZADOR UNIT CTB	03/01/2020	1	WI	196.98	\$3,367.47	\$0.00	\$0.00	\$3,367.47	WESTERN REFINING SOUTHWEST, INC	
								Totals:	196.98	\$3,367.47	\$0.00	\$0.00	\$3,367.47	

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OwnerRelations Connect Report

Created 05/28/2020 at 10:55:01 AM

Checks by Owner

For Owner#: 706813

For Check Date: 05/20/2020 to: 05/20/2020

#	Check#	Check Date	Property#	Property Name	Production Date	Product Type	Int Type	Owner Vol	Owner Gross	Owner Tax	Owner Deducts	Owner Net	Sender	
1	000030000160	05/20/2020	00303874-00001	MCCRACKEN SPRING #2-31	04/01/2020	1	WI	193.5	\$909.84	\$0.00	\$0.00	\$909.84	WESTERN REFINING SOUTHWEST, INC	
								Totals:	193.5	\$909.84	\$0.00	\$0.00	\$909.84	

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Production Service, Inc.

P.O. Box 73
17179 Co. Rd. G

Invoice

Date	Invoice #
5/5/2020	2815

Bill To
DELHI-TRADING LLC PATRICK/KELLY HEGARTY P.O. BOX 157 FLORA VISTA, NM 87415

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
	PROVIDED LABOR AND EQUIPMENT TO PUMP THE FOLLOWING LEASES FOR THE MONTH OF APRIL, 2020.	0.00	0.00
	CAZADOR 1-1	125.00	125.00
	CAZADOR 1-2	125.00	125.00
	CAZADOR 1-4	500.00	500.00
	MCCRACKEN SPRINGS 2-31	500.00	500.00
	TAOS STATE 41-36	125.00	125.00
	TAOS SWD	125.00	125.00
	FUEL FOR CAZADOR	CAZ 1-4 → 25.12	25.12

HEGARTY & ASSOCIATES DELHI-Trading, LLC P.O. Box 157 Flora Vista, NM 87415 (505) 330-3210, (505) 320-4989		2806 <small>Check # 95-207/1022</small>
PAY TO THE ORDER OF <u>Production Services, Inc.</u>		DATE <u>5-13-2020</u>
<u>one thousand five hundred twenty five & 12/100ths</u>		\$ <u>1525.12</u>
Citizens Bank <small>Aztec Branch 215 South Main Avenue Aztec, NM 87410</small>		
FOR INV# 2815 / @ WCLUS PUMPER ARR 2020		<i>Kelly Hegarty</i>
@002806 @ 102202078 @ 0231422306		

	Total	\$1,525.12
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Clk#
2806

MAVERIK
Cortez | #497
455 State Street
Cortez, CO 81321

04/05/2020 17:43:42
MID 231255
TID 001
Invoice # 4971580669

Sequence# 020796
WEX #0823
Odometer 32625
Veh. # 00131
Auth 296451

Pump: 7 UNLEADED
Gallons 10.473
PPG \$2.399
Amount \$25.12
Total Amt \$25.12

CARD #: **560791
ADVENTURE CLUB

POINTS EARNED 10
POINTS BALANCE 2002

Fuel Disc \$0.02/Gal

Thank You.
Please Come Again.
www.maverik.com

Customer Service
1-800-789-4455

Del - Hi

Cazador

Production Service, Inc.

P.O. Box 73
17179 Co. Rd. G

Invoice

Date	Invoice #
6/2/2020	2819

Bill To
DELHI-TRADING LLC PATRICK/KELLY HEGARTY P.O. BOX 157 FLORA VISTA, NM 87415

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
	PROVIDED LABOR AND EQUIPMENT TO PUMP THE FOLLOWING LEASES FOR THE MONTH OF MAY, 2020.	0.00	0.00
	CAZADOR 1-1	125.00	125.00
	CAZADOR 1-2	125.00	125.00
	CAZADOR 1-4	125.00	125.00
	MCCRACKEN SPRINGS 2-31	500.00	500.00
	TAOS STATE 41-36	125.00	125.00
	TAOS SWD	125.00	125.00

HEGARTY & ASSOCIATES DELHI-Trading, LLC P.O. Box 157 Flora Vista, NM 87415 (505) 330-3210, (505) 320-4989		2826
PAY TO THE ORDER OF <u>Production Services, Inc.</u>		DATE <u>6-8-2020</u> 95-207/1022
<u>one thousand one hundred and twenty five & 00/100ths</u>		\$ <u>1125.00</u> DOLLARS
FOR <u>INV #2819/pumper May 2020</u>		UT Wells Kelly Hegarty
1100282611 1022020781		023142230611

	Total	\$1,125.00
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Montezuma Well Service Inc.

Montezuma Creek, UT 84534

Invoice

Date	Invoice #
5/14/2020	33601T

Bill To
DELHI TRADING LLC PO Box 157 Flora Vista, NM 87415

AFE #	Terms	Project

Quantity	Description	Rate	Amount
4.5	85 BBL VACUUM TRUCK 11958	80.27	361.22
1	RECAPTURE BRINE DISPOSAL PIT	120.00	120.00
75	DISPOSAL CLOSING FEE-BBLS X .25	0.37	27.75
4.5	85 BBL VACUUM TRUCK 11963	80.27	361.22
1	RECAPTURE BRINE DISPOSAL PIT	120.00	120.00
75	DISPOSAL CLOSING FEE-BBLS X .25	0.37	27.75
4.5	85 BBL VACUUM TRUCK 11961	80.27	361.22
1	RECAPTURE BRINE DISPOSAL PIT	120.00	120.00
75	DISPOSAL CLOSING FEE-BBLS X .25	0.37	27.75
4.5	85 BBL VACUUM TRUCK 11971	80.27	361.22
1	RECAPTURE BRINE DISPOSAL PIT	120.00	120.00
75	DISPOSAL CLOSING FEE-BBLS X .25	0.37	27.75

ALL FROM
CAZ 1-4
\$2035.88

HEGARTY & ASSOCIATES
DELHI-Trading, LLC
P.O. Box 157
Flora Vista, NM 87415
(505) 330-3210, (505) 320-4989

2824

Check 21
95-207/1022

DATE 6-5-2020

PAY TO THE ORDER OF Montezuma Well Service \$ 2035.88

two thousand thirty five & 88/cents DOLLARS



FOR INV # 33601T / CAZ 1-4 water haul

Kelly Garty

⑈002824⑈ ⑆102202078⑆

0231422306⑈

TOTAL

\$2,035.88

APR 29 2020

MONTEZUMA WELL SERVICE

P.O. Box 540
Montezuma Creek, Utah 84534
Telephone (435) 651-3469

TICKET
11989

TRUCK NO. 65

DRIVER LYNN YAZZI

DATE 4-23-2020

CUSTOMER DELHI TRADING LLC.

LEASE _____

FROM TAMS ST. 41-36 CAZADOR P/W TANK

TO MWS DISPOSAL

DRIVER TRUCK NO. / REC'D BY _____ Customer Vendor No. _____ Work Order # _____

DRIVER TRUCK NO.	NO. LDS	NO. BBLs	STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.	HRS.	WATER COST	(DISP. FEE)	PROPANE
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			Disp 120.00	
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			75	
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			80.37	
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			27.75	
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
			STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				

TOTAL LOADS	1	COST PER HOUR \$	80.27	TOTAL HOURS	4 1/2	SUB TOTAL \$	361.21
TOTAL BARRELS	75			TOTAL PROPANE		\$	147.75
				TOTAL DISPOSAL		\$	508.96
				Sub Total		\$	508.96
				State Sales Tax		\$	
				Navajo Nation Tax		\$	
				Grand Total		\$	508.96

Completed by LYNN YAZZI Approved by _____

Job Description PULL FLUID FROM CAZADOR P/W TANK. HAUL FLUID TO MWS DISPOSAL.
(TODD HENDERSON)

[Signature]

APR 29 2020

MONTEZUMA WELL SERVICE

P.O. Box 540
Montezuma Creek, Utah 84534
Telephone (435) 651-3469

TICKET

11000

TRUCK NO. 67

DRIVER Jimmy Tsosie

DATE 04-23-2020

CUSTOMER Delhi Trading

LEASE _____

FROM Taos state 41-36 Carador P/N TO MWS Disposal

DRIVER TRUCK NO.	/ REC'D BY	FLUIDS		Customer Vendor No.				Work Order #			
		NO. LDS	NO. BBLS	STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.	HRS.	WATER COST	DISP FEE	PROPANE
<u>MWS Disposal</u>		<u>1</u>	<u>75</u>	<u>STARTING TIME 8:00</u>	<u>A.M. P.M.</u>	<u>STOP TIME 12:30</u>	<u>A.M. P.M.</u>	<u>4 1/2</u>		<u>Disp 120.00</u>	
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				<u>75</u>
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				<u>x0.37</u>
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				<u>27.75</u>
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				<u>147.75</u>
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
TOTAL LOADS		<u>1</u>						TOTAL HOURS <u>4 1/2</u>		SUB TOTAL \$ <u>361.21</u>	
TOTAL BARRELS		<u>75</u>								TOTAL PROPANE	
										TOTAL DISPOSAL	\$ <u>147.75</u>

Sub Total	\$ <u>508.96</u>
State Sales Tax	\$
Navajo Nation Tax	\$
Grand Total	\$ <u>508.96</u>

Completed by Jimmy Tsosie Approved by _____

Job Description Pulled produce water Fluids @ Taos state # 41-36, Carador for Delhi Trading LLC. Disposal 75 EBL @ MWS. Todd Henderson

APR 29 2020

MONTEZUMA WELL SERVICE

P.O. Box 540
Montezuma Creek, Utah 84534
Telephone (435) 651-3469

TICKET

11801

TRUCK NO. 65

DRIVER LYNN YAZZI

DATE 4-27-2020

CUSTOMER DELHI TRADING LLC

LEASE _____

FROM TAOS ST. 41-36 CAZADOR P/W TANK

TO MWS DISPOSAL

DRIVER TRUCK NO.	/ REC'D BY	FLUIDS		Customer Vendor No.	Work Order #				
		NO. LDS	NO. BBLs		HRS.	WATER COST	(DISP. FEE)	PROPANE	
MWS DISPOSAL P/W		1	75		STARTING TIME 8:00 A.M. P.M.	STOP TIME 12:30 A.M. P.M.	4 1/2		
					STARTING TIME	STOP TIME		Disp	120.00
					STARTING TIME	STOP TIME			
					STARTING TIME	STOP TIME			75
					STARTING TIME	STOP TIME			X0.37
					STARTING TIME	STOP TIME			27.75
					STARTING TIME	STOP TIME			147.75
					STARTING TIME	STOP TIME			
					STARTING TIME	STOP TIME			
					STARTING TIME	STOP TIME			
					STARTING TIME	STOP TIME			
TOTAL LOADS		1			COST PER HOUR \$ 80.27		TOTAL HOURS 4 1/2	SUB TOTAL \$	361.21
TOTAL BARRELS		75					TOTAL PROPANE	\$	147.75
							TOTAL DISPOSAL	\$	147.75
							Sub Total	\$	508.96
							State Sales Tax	\$	
							Navajo Nation Tax	\$	
							Grand Total	\$	508.96

Completed by LYNN YAZZI Approved by _____

Job Description PULL FLUID FROM CAZADOR P/W TANK. HAUL FLUID TO MWS DISPOSAL.
(TODD HENDERSON)

[Signature]

APR 29 2020

MONTEZUMA WELL SERVICE

P.O. Box 540
Montezuma Creek, Utah 84534
Telephone (435) 651-3469

TICKET

TRUCK NO. 67

DRIVER Jimmy Tsosie

DATE 04-27-2020

CUSTOMER Delhi Trading LLC P/W

LEASE _____

FROM Taos st. 41-36 Cazador

TO MWS Disposal

DRIVER TRUCK NO.	/ REC'D BY	FLUIDS		Customer Vendor No.				Work Order #			
		NO. LDS	NO. BBLs	STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.	HRS.	WATER COST	DISP. FEE	PROPANE
<u>MWS Disposal</u>		<u>1</u>	<u>75</u>	<u>STARTING TIME 8:00</u>	<u>A.M. P.M.</u>	<u>STOP TIME 12:30</u>	<u>A.M. P.M.</u>	<u>4 1/2</u>		<u>Disp 120.00</u>	
<u>P/W</u>				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			<u>75</u>	
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			<u>X0.37</u>	
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			<u>27.75</u>	
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.			<u>(147.75)</u>	
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
				STARTING TIME	A.M. P.M.	STOP TIME	A.M. P.M.				
TOTAL LOADS		<u>1</u>		COST PER HOUR \$ <u>80.27</u>			TOTAL HOURS	<u>4 1/2</u>	SUB TOTAL \$	<u>361.21</u>	
TOTAL BARRELS		<u>75</u>					TOTAL PROPANE		TOTAL DISPOSAL	<u>\$ 147.75</u>	
										Sub Total	<u>\$ 508.96</u>
										State Sales Tax	\$
										Navajo Nation Tax	\$
										Grand Total	<u>\$ 508.96</u>

Completed by Jimmy Tsosie

Approved by _____

Job Description Full produce water @ Taos state, Cazador for Delhi Trading LLC. Disposal P/W @ MWS 75 BBLs.

Todd Heatersen

POST COVID-19

DELHI Paradox Well Profit/Loss Analysis 8.2.2020

Wells:	Location Id
Cazador Unit 1-1	18872
Taos State 41-36	18879
Cazador Unit 1-2	18876
Taos Federal 2S-34 (SWD)	18878
Cazador Unit 1-4	18874
McCracken Spring #2-31	18869

Date	Entity	Income	Expenses
4.15.2020	Montezuma Well Service		508.97
4.16.2020	Montezuma Well Service		408.96
4.22.2020	Montezuma Well Service		1754.31
4.23.2020	Western - Oildex	3367.47	
4.8.2020	Montezuma Well Service		508.97
4.8.2020	Montezuma Well Service		730.37
4.9.2020	Montezuma Well Service		508.96
5.28.2020	Western - Oildex	909.84	
5.5.2020	Prod. Services, Inc		1525.12
5.8.2020	Montezuma Well Service		1071.94
7.6.2020	Prod. Services, Inc		1685.00
TOTALS		4277.31	8702.60
LOSS			-4425.29

Utah State Tax Commission – Property Tax Division
Valuation Appeal Form

H. Reason for Relief – Statement of Facts – Summary of Arguments & Authorities Relied Upon.

H.a. Reason for Relief. The current historic depressed price for crude oil, the lack of a gas gatherer in the Paradox Basin and the COVID-19 historic destruction of our nation's economy are well known facts. DELHI-Trading, LLC's (DELHI) oil wells are not currently profitable, and as such have no value. These wells are a liability due to the cost to plug and abandon a 5000' deep oil well. A one-year reprieve from taxation is a reasonable request during these worse than the great depression times.

Hb. Statement of Facts. Specific hardships Producers have to deal with are as follows:

1. First and foremost, is the COVID-19 coronavirus, plus Marathon Petroleum Corp. (Western Refining SW inc.) idled its Gallup, New Mexico, refinery. It was the first U.S. facility to shut down as the coronavirus pandemic emptied skies of passenger planes and the roads of cars. Refiners are still unable to move much of their products. They have been "faced with the prospect of completely shutting down," said Andy Lipow, president of Lipow Oil Associates in Houston, as reported in the Herald Dispatch newspaper. An inability to sell oil reduces our ability to make a profit
2. Also depressing oil prices was the production battle between Russia and Saudi Arabia. COVID-19 and the Russia Saudi aggressive production battle created the perfect profit killing storm; decreased demand and increased supply.
3. Further hurting Producers ability to make a profit is CASTLETON COMMODITIES INTERNATIONAL LLC ("CCI") shutting down their 262-mile gas gathering system in the four corners region. CCI's gathering system is the only pipeline taking gas from Paradox Basin wells. As you should know, Paradox oil producers are not allowed to flare their natural gas associated with oil production. Some producers have been given relief, but such will not be allowed indefinitely.
4. DELHI is not able to operate profitably. The attached income and expense documentation proves that DELHI's Paradox Basin wells are not profitable.
5. DELHI has been especially hard hit because its oil field's only saltwater disposal well is not functioning. The cost to truck DELHI's saltwater to a saltwater disposal facility is very expensive; averaging about \$5.50 per barrel.

H.c. Summary of Arguments & Authorities. All of the above calamities have destroyed DELHI's ability to be profitable. Many Paradox have and will plug their wells. No new wells are being drilled. Those facts eliminated the value of the pipe and oil field equipment being that supply is great and there is no demand. There are no buyers for pipe and oil field equipment. Assigning such a value is not justified at this time.

The Utah State Tax Commission, Property Tax Division has unjustifiably assigned a value to DELHI's Paradox wells. Under the current conditions these wells are a plugging liability. Plugging a 5000+ foot deep well can average over \$50,000. To assign any value to DELHI's wells in the Paradox is a miscarriage of justice.

The federal government and many state government agencies have and are providing different forms of relief to many businesses. Paradox oil Producers need a reprieve to get through these extremely trying times.

Once the Covid-19 virus is contained our economy should recover which will once again increase the demand for oil. Then and only then would it be appropriate to assign a value to DELHI's Paradox Basin oil and gas wells.

Therefore, DELHI respectfully requests a one-year reprieve from a tax assessment from the Property Tax Division of Utah's State Tax Commission for the reasons setout above.



taxappeals TAX <taxappeals@utah.gov>

Tax Appeal, DELHI-Trading, LLC Letter ID L0896512800

1 message

Patrick Hegarty <patrick.hegarty@delhi-trading.com>

Mon, Aug 3, 2020 at 5:49 PM

To: taxappeals@utah.gov

Cc: "Kelly J. Hegarty" <k.hegarty@me.com>

DELHI-Trading, LLC
Letter ID L0896512800
Account Type: Prop Central Assessed (PCA)
Account No.: 14364199-005-PCA

To Whom It May Concern:

Pursuant to the instructions set out in the Utah Tax Commission's letter dated April 30, 2020, attached please find DELHI-Trading, LLC's "VALUATION APPEAL FORM" FOR THE 2020 Assessment Year.


Your attention to this appeal will be appreciated.

Best,
DELHI-Trading, LLC
Patrick Hegarty
Managing Member

Attachment - DELHI-Trading, LLC's "VALUATION APPEAL FORM" with supporting documents

9 attachments

- 1. UT Tax commision Val. Aproval Form DELHI.pdf
387K
- 2. DELHI UT Sate Property Tax Appeal 4.3.2020.pdf
45K
- 3. DELHI Paradox Well Profit:Loss Analysis 8.2.2020DELHI Paradox Well Profit:Loss Analysis 8.2.2020.pdf
38K
- 4. Montezuma pd inv#33601T Caz 1-4 Water Haul Lot 33815 DELHI20200605_14112760.pdf
4588K
- 5. Prod Ser pd inv#2819 May 2020*Pumper UT Wells20200608_16515884.pdf
92K
- 6. Prod Serv pd inv#2815 Pumper Apr 2020*20200513_11364102.pdf
123K

 **7. Prod Serv pd inv#2823 6:2020 Pumper DELHI20200712.pdf**

89K

 **8. West Rev 4:2020' Oildex Detail Cazador.pdf**

68K

 **9. Western Rev 5:2020' McCracken Oildex report DELHI.pdf**

68K