



TaxNewsFlash

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Enhanced oil recovery, marginal well production credits; reference price (2018)

The U.S. Treasury Department and IRS today released for publication in the Federal Register a notice that provides the reference price under section 45K(d)(2)(C) for calendar year 2018—that is, the reference price used in determining the amount of the enhanced oil recovery credit, the marginal well production credit for qualified crude oil production, and the percentage depletion for oil and natural gas produced from marginal properties.

The reference price for calendar year 2018 is \$61.41.

The [notice](#) [PDF 204 KB] explains that the credit period for the nonconventional source production credit under section 45K ended on December 31, 2013, for facilities producing coke or coke gas (other than from petroleum based products). However, the reference price continues to apply in determining:

- The amount of the enhanced oil recovery credit under section 43
- The marginal well production credit for qualified crude oil production under section 45I
- The percentage depletion in case of oil and natural gas produced from marginal properties under section 613A

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