



TaxNewsFlash

United States

No. 2018-156
April 20, 2018

Notice 2018-32: Enhanced oil recovery, marginal well production credits; reference price (2017)

Notice 2018-32 provides the reference price under section 45K(d)(2)(C) for calendar year 2017—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 2017 is \$48.05.

Notice 2018-32—that appears in [IRB 2018-17](#) [PDF 128 KB] dated Monday, April 23, 2018—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

The reference price was previously announced by the Treasury Department and published as a [notice](#) [PDF 186 KB] in the Federal Register on April 12, 2018.

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