

# 10<sup>th</sup> Biennial Oil and Gas Tax Conference

## October 29-30, 2009 • Houston Marriott Westchase • Houston, TX

### Thursday Morning, Oct. 29, 2009

8:00 am	<b>Registration Opens</b>  Includes continental breakfast.
8:20 am 0.17 hr	<b>Welcoming Remarks</b>  Keith M. Jones, Natural Resources & Construction - LMSB, Internal Revenue Service - Houston, TX
8:30 am 0.75 hr	<b>State of the Industry: Commodity Prices and Globalization, Including the Role of State Oil Companies</b>  The years 2008 and 2009 have witnessed a roller coaster ride in commodity prices. This underlines another dimension of the crisis the world is facing, from the financial crisis to the crisis in climate change. The talk addresses the industry in the context of the challenges, opportunities and necessities it faces.  Joseph A. Stanislaw, Energy & Resources, Deloitte LLP - McLean, VA
9:15 am 1.50 hrs	<b>Capital Cost Recovery and Other Current Developments in Domestic Tax Issues</b>  A discussion of key capital cost recovery issues, including distressed property issues and tangible repair regs. Casualty losses.  Moderator: Thomas L. Evans, Kirkland & Ellis LLP - Chicago, IL Panelists: Stephen E. Comstock, American Petroleum Institute - Washington, DC Panelists: John F. Eiman, Internal Revenue Service - Houston, TX Panelists: Jeffery G. Mitchell, Internal Revenue Service - Washington, DC
10:45 am	<b>Break</b>
11:00 am 1.25 hrs	<b>Current Tax and Financial Issues Involving Measurement and Calculation of Reserves</b>  Basic reserve engineering concepts; new SEC rules; tax reserve rules; implications of new SEC rules on tax safe harbor method and commodity price fluctuations; impact on the calculation of cost depletion for income tax purposes.  Moderator: Byron Ratliff, PricewaterhouseCoopers L.L.P. - Houston, TX Panelists: Robert McCann, Internal Revenue Service - Houston, TX Panelists: James Pearson, Miller and Lents, Ltd. - Houston, TX Panelists: Philip Tiegerman, Internal Revenue Service - Washington, DC

## Thursday Afternoon, Oct. 29, 2009

	<b>LUNCHEON AND AWARD PRESENTATION</b>
12:15 pm	<b>Adjourn to Luncheon Presentation</b>
12:40 pm	<b>Introductions and Parker C. Fielder Awards Presentation</b>
	<b>Introduction - Luncheon Presentation</b>  C. Elizabeth Wagner  Sr. Advisor to the Commissioner, LMSB
1:00 pm 0.50 hr	<b>Corporate Tax Administration: A Look to the Future</b>  Paul DeNard, LMSB Deputy Commissioner (Operations), Internal Revenue Service - Washington, DC
1:30 pm	<b>Break</b>
1:45 pm 1.00 hr	<b>Dispositions in the Oil, Gas, and Energy Industry - Making the Best (Tax-Wise) of a Bad Situation</b>  Analysis of selected tax issues arising in dispositions in the energy industry, including worthless stock and bad debt deductions; property losses; like-kind exchange issues; and recapture concerns. Given the state of the economy, special emphasis is placed on loss and distressed situations, including cancellation of indebtedness issues.  Moderator: R. David Wheat, Thompson & Knight LLP - Dallas, TX Panelists: Sandy Irving, Internal Revenue Service - Washington, DC Panelists: Gregory V. Nelson, Baker Botts L.L.P. - Houston, TX Panelists: Amy Sutton, Deloitte Tax LLP - Houston, TX
2:45 pm	<b>Break</b>
	<b>DOMESTIC AND INTERNATIONAL TRACKS</b>

### TRACK A: Domestic

3:00 pm 1.25 hrs	<b>Partnership Workshop: Understanding the Economics and Tax Issues of Partnerships in the Oil and Gas Industry</b>  The reasons for forming an oil and gas partnership and the various issues that can arise during the life of such a partnership including special allocations of income and deductions, deductibility of IDCs, financing development activities, the treatment of carried interests, and exit strategies.  R. Richard Coston, Fulbright & Jaworski LLP - Houston, TX Paul Kugler, KPMG LLP - Washington, DC Kevin M. Richards, Ernst & Young L.L.P. - Houston, TX
---------------------	---

4:15 pm 0.00 hr ethics	<b>Break</b>
4:25 pm 1.25 hrs	<p><b>Selected Tax Issues Involving Alternative Energy Investments</b></p> <p>This panel provides an overview of the tax aspects of alternative energy investments with particular attention to the tax issues that are most significant for the common types of investments, solar energy projects and wind energy projects. This panel also discusses choice of incentives (ITCs, PTCs, and grant programs) and tax issues in structuring renewable energy projects.</p> <p>Moderator:  Roberta Mann, University of Oregon School of Law - Eugene, OR</p> <p>Panelists:  Debra J. Duncan, Vinson &amp; Elkins L.L.P. - Washington, DC</p> <p>Panelists:  John Marciano, Chadbourne &amp; Parke LLP - Washington, DC</p> <p>Panelists:  Charles Ramsey, Internal Revenue Service - Washington, DC</p>

---

## TRACK B: International

3:00 pm 1.25 hrs	<p><b>Select Foreign Tax Credit Issues for the Oil, Gas and Energy Industry</b></p> <p>A discussion of current foreign tax credit issues including Section 905(c) regulations, noncompulsory payments, overall foreign loss/domestic loss rules and the recent changes to Section 907.</p> <p>Moderator:  Heather B. Crowder, KPMG LLP - Houston, TX</p> <p>Panelists:  Richard Chewning, Internal Revenue Service - Washington, DC</p> <p>Panelists:  Alan L. Fischl, PricewaterhouseCoopers L.L.P. - Washington, DC</p> <p>Panelists:  Nancy R. Johnson, Internal Revenue Service - Farmers Branch, TX</p> <p>Panelists:  Kevin L. Kenworthy, Miller &amp; Chevalier Chartered - Washington, DC</p>
4:15 pm 0.00 hr ethics	<b>Break</b>
4:25 pm 1.25 hrs	<p><b>Transfer Pricing Issues for the Oil, Gas and Energy Industry</b></p> <p>Panelists discuss transfer pricing issues as it relates to the Oil, Gas &amp; Energy Industry, including discussion of cost sharing, Xilinx, services regulations, and the Administration's budget proposals.</p> <p>Moderator:  Paul M. Schmidt, Baker &amp; Hostetler LLP - Washington, DC</p> <p>Panelists:  Christopher J. Bello, Internal Revenue Service - Washington, DC</p> <p>Panelists:  Purvez F. Captain, Ernst &amp; Young LLP - Houston, TX</p> <p>Panelists:  Philip Spoehr, BP America, Inc. - Warrenville, IL</p> <p>Panelists:  Carol B. Tan, Internal Revenue Service - Washington, DC</p>

5:40 pm

### **Adjourn to Reception**

Reception Sponsors:

**Baker & Hostetler LLP**

**Baker Botts L.L.P.**

**Bracewell & Giuliani**

**Deloitte Tax LLP**

**Ernst & Young LLP**

**Fulbright & Jaworski L.L.P.**

**KPMG LLP**

**Miller & Chevalier Chartered**

**PricewaterhouseCoopers L.L.P.**

**Thompson & Knight LLP**

**Vinson & Elkins LLP**

*\*Note: The Internal Revenue Service and the U.S. Department of the Treasury are not sponsoring the reception and its participation in the reception is not intended as an endorsement of the reception or the sponsors.*

## **Friday Morning, Oct. 30, 2009**

8:30 am

1.25 hrs

### **Case Study: Structuring Oil & Gas Deals -- Industry Conventions, Economics and Tax Issues**

This panel explores oil and gas transactions being undertaken in the current economic environment. Recent farmouts, carried interest arrangements, drilling funds and other financing transactions are analyzed for their economic and tax objectives.

Moderator:

John T. Bradford, Attorney at Law - Houston, TX

Panelists:

Thomas Crichton IV, Vinson & Elkins LLP - Dallas, TX

Panelists:

James Dennis Reardon, Bracewell & Giuliani LLP - Houston, TX

9:45 am

1.00 hr ethics

### **Professional Responsibility and Ethics Issues**

The Director of OPR and the moderator join in a candid discussion of the ethical and professional responsibility issues raised in common tax planning, return preparation, and audit situations.

Moderator:

Phillip L. Mann, Miller & Chevalier Chartered - Washington, DC

Commentator:

Karen L. Hawkins, Office of Professional Responsibility, Internal Revenue Service - Washington, DC

10:45 am

### **Break**

11:00 am 1.50 hrs 0.50 hr ethics	<p><b>Getting to Yes, Dealing with IRS Cradle to Grave (Pre-filing to Post Appeals)</b></p> <p>This panel discusses resolving matters with IRS exam and appeals, focusing on pre-filing agreements, best practices for audits, CAPS, fasttrack, and post-appeals mediation.</p> <p>Moderator:  Peter Andrew Lowy, Shell Oil Company - Houston, TX</p> <p>Panelists:  Ralph J. Coselli, LyondellBasell - Houston, TX</p> <p>Panelists:  Richard A. Hussein, Baker Botts L.L.P. - Houston, TX</p> <p>Panelists:  Kathleen M. Kruchten, Internal Revenue Service - Houston, TX</p> <p>Panelists:  Michael J. Walker, Internal Revenue Service - Los Angeles, CA</p>
12:30 pm	<b>Adjourn</b>