by a $0.5 million discrete income tax benefit related to refundable AMT tax credits resulting from the TCJA, (2) deferred income tax expense for Earthstone of $7.4 million as a result of its share of the distributable income from EEH, which was used to reduce the valuation allowance recorded against its deferred tax asset as future realization of the net deferred tax asset cannot be assured and (3) deferred income tax expense of $1.1 million related to the Texas Margin Tax. Lynden Corp incurred no material income or loss, or related income tax expense or benefit, for the year ended December 31, 2018.

Deferred Tax Assets and Liabilities

The Company's deferred tax position reflects the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting. Significant components of the deferred tax assets and liabilities at December 31, 2019 and 2018 are as follows (*in thousands*):

	December 31,	
	2019	2018
Deferred noncurrent income tax assets (liabilities):		
Oil & gas properties	$ 20,633	$ 11,164
Basis difference in subsidiary obligation	(2,211)	(2,211)
Investment in Partnerships	(31,722)	(18,517)
Federal net operating loss carryforward	14,597	12,940
Net deferred noncurrent tax assets	1,297	3,376
Valuation allowance	(16,451)	(16,865)
Net deferred tax liability	$ (15,154)	$ (13,489)

As of December 31, 2019, the Company had a valuation allowance recorded against its deferred tax assets of $16.5 million which is in excess of its net deferred noncurrent tax assets of $1.3 million, as presented above. The Company's corporate organizational structure requires the filing of two separate consolidated U.S. Federal corporate income tax returns, one separate U.S. Federal partnership income tax return and one Canadian income tax return. As a result, tax attributes of one group cannot be offset by the tax attributes of another. At December 31, 2019, the deferred tax assets and liabilities related to the two U.S. Federal corporate income tax returns, one Canadian income tax return and one related to the Texas Margin Tax are a $12.7 million deferred tax asset, a $9.7 million deferred tax liability, a $3.8 million deferred tax asset and a $5.5 million deferred tax liability, respectively, before considering the valuation allowance of $16.5 million.

As of December 31, 2018, the Company had a valuation allowance recorded against its deferred tax assets of $16.9 million which is in excess of its Net deferred noncurrent tax assets of $3.4 million, as presented above. The Company's corporate organizational structure requires the filing of two separate consolidated U.S. Federal income tax returns, one separate U.S. Federal partnership income tax return and one Canadian income tax return. As a result, tax attributes of one group cannot be offset by the tax attributes of another. At December 31, 2018, the deferred tax assets and liabilities related to the two U.S. Federal income tax returns, one Canadian income tax and one related to the Texas Margin Tax were a $13.1 million deferred tax asset, a $9.6 million deferred tax liability, a $3.8 million deferred tax asset and a $3.9 million deferred tax liability, respectively, before considering the valuation allowance of $16.9 million.

As of December 31, 2019, the Company had estimated U.S. net operating loss carryforwards of $56.5 million, the first expiring in 2034 and the last in 2039, and estimated Canadian net operating loss carryforwards of $10.0 million, the first expiring in 2024 and the last in 2037. The ability to utilize net operating losses and other tax attributes could be subject to a significant limitation if the Company were to undergo an ownership change for the purposes of Section 382 ("Sec 382") of the Internal Revenue Code of 1986, as amended (the "Code"). The Company has an additional estimated U.S. net operating loss carryforward of $28.2 million limited by Sec 382 resulting from the Lynden Arrangement. The Company continues to evaluate the impact, if any, of potential Sec 382 limitations.

The Company's tax returns are subject to periodic audits by the various jurisdictions in which the Company operates. These audits can result in adjustments of taxes due or adjustments of the NOL carryforwards that are available to offset future taxable income. Generally, the Company's income tax years 2013 through 2018 remain open and subject to examination by the Internal Revenue Service or state tax jurisdictions where it conducts operations. In certain jurisdictions, the Company operates through more than one legal entity, each of which may have different open years subject to examination.

Uncertain Tax Positions

FASB ASC Topic 740, *Income Taxes* ("ASC 740") prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of income tax positions taken or expected to be taken in an income tax return. For those