

Introduced by

Senators Wardner, Lyson, O'Connell

Representatives Belter, Onstad, Wieland

1 A BILL for an Act to create and enact a new subsection to section 57-51.1-03 of the North
2 Dakota Century Code, relating to an oil extraction tax rate reduction for oil produced from new
3 horizontal wells drilled and completed in the Bakken formation; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new subsection to section 57-51.1-03 of the North Dakota Century
6 Code is created and enacted as follows:

7 The first seventy-five thousand barrels of oil produced during the first eighteen
8 months after completion, from a horizontal well drilled and completed in the
9 Bakken formation after June 30, 2007, and before July 1, 2008, is subject to a
10 reduced tax rate of two percent of the gross value at the well of the oil extracted
11 under this chapter. A well eligible for a reduced tax rate under this subsection is
12 eligible for the exemption for horizontal wells under subsection 3, if the exemption
13 under subsection 3 is effective during all or part of the first twenty-four months after
14 completion.

15 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2007.