

Sixty-first  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO.**

Introduced by

Representative Froseth

1 A BILL for an Act to amend and reenact subsection 9 of section 57-51.1-03 of the North Dakota  
2 Century Code, relating to an oil extraction tax exemption for production from horizontal wells;  
3 and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 9 of section 57-51.1-03 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 9. 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~~ 2009, and before July 1, ~~2008~~ 2011, is  
10 subject to a reduced tax rate of two percent of the gross value at the well of the oil  
11 extracted under this chapter. A well eligible for a reduced tax rate under this  
12 subsection is eligible for the exemption for horizontal wells under subsection 3, if  
13 the exemption under subsection 3 is effective during all or part of the first  
14 twenty-four months after completion.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
16 June 30, 2009.