

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1134

Page 1, line 1, replace "section" with "sections"

Page 1, line 1, after "57-51-02.6" insert "and 57-51.1-02.1"

Page 1, line 2, after the second "gas" insert "and an oil extraction tax exemption for liquids produced from natural gas extracted"

Page 1, line 22, replace "collects" with "intakes"

Page 1, line 23, after "liquids" insert "volume"

Page 1, line 23, after "for" insert "beneficial consumption by means of"

Page 1, line 23, replace "or" with an underscored comma

Page 2, line 1, remove the second "or"

Page 2, line 2, after "fuels" insert ", separating and collecting over fifty percent of the propane and heavier hydrocarbons, or other value-added processes as approved by the industrial commission"

Page 2, line 6, remove "and for gas flared from a well connected"

Page 2, line 7, remove "to a gas gathering line"

Page 2, line 10, remove "Gas production from a well that is connected to a gas gathering line, electrical"

Page 2, remove lines 11 and 12

Page 2, line 13, remove "6."

Page 2, line 16, replace "7." with "6."

Page 3, line 23, replace "**Exemption**" with "**Temporary exemption**"

Page 3, line 23, after "for" insert "oil and"

Page 3, line 24, remove "collected at the well site by a gas gathering line, electrical generator, or collection"

Page 3, line 25, remove "system described in subsection 2 of section 38-08-06.4 from the time of first production"

Page 3, line 27, after "production" insert: "if the gas is:

1. Collected and used at the well site to power an electrical generator that consumes at least seventy-five percent of the gas from the well; or
2. Collected at the well site by a system that intakes at least seventy-five percent of the gas and natural gas liquids volume from the well for beneficial consumption by means of compression to liquid for use as fuel, transport to a processing facility, production of petrochemicals or fertilizer, conversion to liquid fuels, separating and collecting over fifty percent of the

propane and heavier hydrocarbons, or other value-added processes as approved by the industrial commission

SECTION 4. Section 57-51.1-02.1 of the North Dakota Century Code is created and enacted as follows:

57-51.1-02.1. Temporary exemption for oil and gas wells employing a system to avoid flaring.

Liquids produced from a collection system described in subdivision d of subsection 2 of section 38-08-06.4 utilizing absorption, adsorption, or refrigeration are exempt from the tax under section 57-51.1-02 for a period of two years from the time of first production."

Renumber accordingly