

Introduced by

Natural Resources Committee

(At the request of the Governor)

1 A BILL for an Act to create and enact two new subsections to section 57-51-01 and a new  
2 section to chapter 57-51 of the North Dakota Century Code, relating to a temporary exemption  
3 from the gross production tax for gas produced from shallow gas wells.

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

5 **SECTION 1.** Two new subsections to section 57-51-01 of the North Dakota Century  
6 Code are created and enacted as follows:

7 "Shallow gas" means gas produced from a gas well completed in or producing from  
8 a shallow gas zone, as certified to the tax commissioner by the industrial  
9 commission.

10 "Shallow gas zone" means a strata or formation, including lignite or coal strata or  
11 seam, located above the depth of five thousand feet [1524 meters] below the  
12 surface, or located more than five thousand feet [1524 meters] below the surface  
13 but above the top of the Rierdon formation, from which gas is or may be produced.

14 **SECTION 2.** A new section to chapter 57-51 of the North Dakota Century Code is  
15 created and enacted as follows:

16 **Shallow gas - Gross production tax exemption.** Shallow gas produced during the  
17 first twenty-four months of production from and after the date of first sales of gas from a well  
18 completed or recompleted in a shallow gas zone after the effective date of this Act is exempted  
19 from the gross production tax levied under section 57-51-02.2. Gas produced from such a well  
20 during testing prior to well completion or connection to a pipeline is also exempt from the gross  
21 production tax.