

OIL AND GAS TAX REVENUE COLLECTIONS AND ALLOCATIONS QUARTERLY UPDATE DETAIL

This memorandum provides information on oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations for the biennium to date through July 2018. **The forecasted amounts reflect the 2017 legislative revenue forecast**, prepared at the close of the 2017 legislative session.

OIL PRODUCTION AND PRICE - COMPARISON OF ACTUAL AND FORECAST

The schedules below provide information on oil production and prices for the biennium to date through May 2018. Monthly oil and gas tax revenue collections and allocations reflect oil production and prices from 2 months prior. The amounts shown for the actual oil prices reflect the average of Flint Hills Resources posted prices and West Texas Intermediate posted prices.

Average Daily Oil Production - Barrels Per Day													
	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	Biennium-to-Date Average
Actual	1,032,873	1,048,099	1,089,318	1,107,345	1,183,810	1,196,976	1,182,836	1,179,564	1,175,316	1,162,134	1,225,391	1,244,629	1,152,358
Forecast	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000
Variance to forecast	107,873	123,099	164,318	182,345	258,810	271,976	257,836	254,564	250,316	237,134	300,391	319,629	227,358

Average Oil Price - Price Per Barrel													
	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	Biennium-to-Date Average
Posted prices													
Flint Hills Resources	\$34.72	\$35.83	\$37.93	\$39.56	\$43.54	\$49.75	\$50.32	\$54.08	\$50.98	\$50.90	\$55.02	\$58.12	\$46.73
West Texas Intermediate	\$45.20	\$46.68	\$48.06	\$49.88	\$51.69	\$56.54	\$57.95	\$63.55	\$62.16	\$62.87	\$66.33	\$69.89	\$56.73
Price comparison													
Actual	\$39.96	\$41.26	\$43.00	\$44.72	\$47.62	\$53.15	\$54.14	\$58.82	\$56.57	\$56.89	\$60.68	\$64.01	\$51.74
Forecast	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00
Variance to forecast	(\$7.04)	(\$5.74)	(\$4.00)	(\$2.28)	\$0.62	\$6.15	\$7.14	\$11.82	\$9.57	\$9.89	\$13.68	\$17.01	\$4.74

OIL AND GAS TAX REVENUE COLLECTIONS - COMPARISON OF ACTUAL AND FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for the biennium to date through July 2018.

	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to-Date Total
Actual													
Gross production tax	\$62,166,428	\$65,405,007	\$71,875,951	\$72,025,519	\$85,847,060	\$90,242,808	\$96,222,038	\$109,320,772	\$86,877,270	\$99,531,341	\$113,416,391	\$119,854,930	\$1,072,785,515
Oil extraction tax	55,901,459	57,810,484	65,260,391	66,051,597	77,869,033	81,219,756	89,736,196	99,579,562	80,708,409	91,934,250	103,670,753	111,903,928	981,645,818
Total actual	\$118,067,887	\$123,215,491	\$137,136,342	\$138,077,116	\$163,716,093	\$171,462,564	\$185,958,234	\$208,900,334	\$167,585,679	\$191,465,591	\$217,087,144	\$231,758,858	\$2,054,431,333
Forecasted													
Gross production tax	\$63,908,250	\$66,038,525	\$66,038,525	\$63,908,250	\$66,038,525	\$63,908,250	\$66,038,525	\$66,038,525	\$59,647,700	\$66,038,525	\$63,908,250	\$66,038,525	\$777,550,375
Oil extraction tax	62,604,000	64,690,800	64,690,800	62,604,000	64,690,800	62,604,000	64,690,800	64,690,800	58,430,400	64,690,800	62,604,000	64,690,800	761,682,000
Total forecasted	\$126,512,250	\$130,729,325	\$130,729,325	\$126,512,250	\$130,729,325	\$126,512,250	\$130,729,325	\$130,729,325	\$118,078,100	\$130,729,325	\$126,512,250	\$130,729,325	\$1,539,232,375
Variance to forecast													
Gross production tax	(\$1,741,822)	(\$633,518)	\$5,837,426	\$8,117,269	\$19,808,535	\$26,334,558	\$30,183,513	\$43,282,247	\$27,229,570	\$33,492,816	\$49,508,141	\$53,816,405	\$295,235,140
Oil extraction tax	(6,702,541)	(6,880,316)	569,591	3,447,597	13,178,233	18,615,756	25,045,396	34,888,762	22,278,009	27,243,450	41,066,753	47,213,128	219,963,818
Total variance	(\$8,444,363)	(\$7,513,834)	\$6,407,017	\$11,564,866	\$32,986,768	\$44,950,314	\$55,228,909	\$78,171,009	\$49,507,579	\$60,736,266	\$90,574,894	\$101,029,533	\$515,198,958
Percentage variance	(6.7%)	(5.7%)	4.9%	9.1%	25.2%	35.5%	42.2%	59.8%	41.9%	46.5%	71.6%	77.3%	33.5%

OIL AND GAS TAX REVENUE COLLECTIONS BY TAX TYPE

The schedules below provide information on oil and gas gross production tax collections and oil extraction tax collections in each county and the Fort Berthold Reservation for the biennium to date through July 2018. The amounts shown for the Fort Berthold Reservation include a portion of the collections that are attributed to Dunn, McKenzie, McLean, and Mountrail Counties. Unallocated tax collections are primarily related to small miscellaneous corrections reported on tax returns. Unallocated tax collections remaining at the end of each fiscal year are allocated to the counties in the subsequent fiscal year.

Oil and Gas Gross Production Tax Collections													
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to- Date Total
Billings	\$538,192	\$665,840	\$527,541	\$840,140	\$645,773	\$632,780	\$717,786	\$848,928	\$704,906	\$822,873	\$940,720	\$944,068	\$8,829,547
Bottineau	243,091	261,488	228,995	341,937	322,482	340,944	322,613	367,607	310,266	338,158	381,788	423,464	3,882,833
Bowman	969,430	1,003,279	1,038,627	1,052,668	1,073,585	1,208,927	1,254,041	1,397,669	1,248,593	1,347,189	1,393,216	1,492,963	14,480,187
Burke	605,619	641,443	697,779	650,990	753,413	684,520	810,943	987,022	636,492	748,886	1,003,088	892,476	9,112,671
Divide	1,644,110	1,685,269	1,684,251	1,617,317	1,930,199	2,241,808	2,033,062	2,335,396	1,540,065	2,279,100	2,109,065	2,117,111	23,216,753
Dunn	7,472,819	6,965,679	8,633,938	8,311,147	9,759,466	8,413,280	9,622,315	11,718,385	9,059,820	10,832,686	12,947,548	14,149,980	117,887,063
Golden Valley	141,374	153,015	147,536	127,937	140,717	157,244	188,812	216,691	170,702	179,843	196,336	198,191	2,018,398
McHenry	20,070	20,293	21,537	17,901	20,513	22,082	21,805	20,597	17,108	19,204	19,223	21,514	241,847
McKenzie	20,373,492	23,057,364	24,893,480	24,331,362	30,016,202	31,385,307	34,181,262	40,082,938	30,271,875	33,660,954	38,792,610	38,985,753	370,032,599
McLean	0	0	0	0	0	0	0	0	0	0	0	0	0
Mercer	0	0	0	0	0	0	0	0	128	152	0	0	280
Mountrail	7,611,623	7,587,736	8,186,716	8,282,354	9,737,371	12,062,578	11,824,037	14,060,916	11,772,192	12,906,516	13,919,602	14,402,820	132,354,461
Renville	94,027	97,950	116,083	103,476	110,990	128,065	117,905	128,261	108,689	122,272	130,283	159,136	1,417,137
Slope	54,492	57,353	60,481	48,893	65,151	68,413	66,775	69,414	73,874	77,570	77,037	90,786	810,239
Stark	769,627	1,018,279	1,039,865	1,088,244	1,238,692	1,339,424	1,290,071	1,297,355	1,094,061	989,839	1,243,995	1,184,356	13,593,808
Ward	5,625	4,906	5,182	4,330	7,407	6,411	5,090	9,190	5,851	6,442	6,472	4,610	71,516
Williams	9,405,148	10,326,961	11,348,845	11,906,880	14,237,786	14,045,699	15,333,609	16,836,783	14,399,726	16,836,783	19,055,961	21,287,360	175,021,541
Unallocated	0	0	0	0	0	0	0	0	0	0	0	0	0
Fort Berthold Reservation	12,217,689	11,858,152	13,245,095	13,299,943	15,787,313	17,505,326	18,431,912	18,943,620	15,462,922	18,362,874	21,199,447	23,500,342	199,814,635
Total	\$62,166,428	\$65,405,007	\$71,875,951	\$72,025,519	\$85,847,060	\$90,242,808	\$96,222,038	\$109,320,772	\$86,877,270	\$99,531,341	\$113,416,391	\$119,854,930	\$1,072,785,515

Oil Extraction Tax Collections													
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to- Date Total
Billings	\$296,334	\$315,928	\$307,861	\$314,503	\$354,418	(\$37,285)	\$421,463	\$463,415	\$414,723	\$482,615	\$554,859	\$495,683	\$4,384,517
Bottineau	(11,024)	101,398	103,531	100,244	145,280	153,041	143,415	163,141	130,566	149,718	169,712	182,565	1,531,587
Bowman	406,529	415,688	414,337	428,870	422,236	470,868	518,547	566,521	506,184	551,573	554,535	601,662	5,857,550
Burke	456,699	469,852	508,372	456,758	542,926	445,088	582,916	687,997	392,017	521,197	730,488	524,691	6,319,001
Divide	1,257,430	1,108,506	1,098,058	1,048,338	1,396,733	1,723,298	1,518,834	1,704,403	1,095,966	1,649,672	1,464,210	1,410,052	16,475,500
Dunn	7,054,864	6,178,873	7,712,532	7,443,405	8,347,615	6,995,229	8,400,221	10,115,621	7,941,019	9,626,178	11,611,572	12,948,123	104,375,252
Golden Valley	104,913	110,645	111,407	99,277	104,664	98,829	144,524	138,656	152,044	133,839	137,978	140,331	1,477,107
McHenry	11,659	12,023	12,063	9,154	12,520	13,253	13,522	12,442	10,557	11,511	12,031	12,594	143,329
McKenzie	18,329,791	20,411,394	23,171,567	23,438,967	27,679,971	28,890,887	33,170,918	37,279,203	29,298,544	31,955,375	36,001,206	37,860,526	347,488,349
McLean	0	0	0	0	0	0	0	0	0	0	0	0	0
Mercer	0	0	0	0	0	0	0	0	0	0	0	0	0
Mountrail	7,002,068	7,048,157	7,542,978	7,703,829	9,114,388	11,581,573	11,085,988	13,342,978	11,113,289	12,237,082	12,929,323	13,443,156	124,144,809
Renville	24,015	24,796	28,009	27,288	27,853	20,575	25,659	32,059	24,510	33,306	32,216	40,146	340,432
Slope	(1)	0	0	0	0	0	0	0	0	0	0	0	(1)
Stark	683,303	912,676	946,779	967,217	1,123,072	1,076,944	1,169,016	1,158,241	975,620	894,808	1,073,237	1,014,493	11,995,406

Oil Extraction Tax Collections													
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to- Date Total
Ward	3,213	3,578	2,876	2,547	3,710	3,998	2,941	5,075	4,102	3,462	3,715	1,335	40,552
Williams	8,409,184	9,194,930	10,393,251	11,004,635	13,139,666	12,628,282	14,425,907	15,463,852	13,556,346	15,691,681	17,698,691	20,100,654	161,707,079
Unallocated	(30,456)	4,182	10,256	9,497	15,379	21,281	32,060	(220)	60,992	44,137	43,232	31,780	242,120
Fort Berthold Reservation	11,902,938	11,497,858	12,896,514	12,997,068	15,438,602	17,133,895	18,080,265	18,446,178	15,031,930	17,948,096	20,653,748	23,096,137	195,123,229
Total	\$55,901,459	\$57,810,484	\$65,260,391	\$66,051,597	\$77,869,033	\$81,219,756	\$89,736,196	\$99,579,562	\$80,708,409	\$91,934,250	\$103,670,753	\$111,903,928	\$981,645,818

OIL AND GAS TAX REVENUE ALLOCATIONS

The schedule below provides information on oil and gas tax revenue collections allocated to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for the biennium to date through July 2018.

	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to- Date Total
Three Affiliated Tribes	\$12,057,437	\$11,678,005	\$13,070,804	\$13,148,505	\$15,612,957	\$17,319,611	\$18,256,089	\$18,694,898	\$15,247,426	\$18,155,485	\$20,926,597	\$23,298,241	\$197,466,055
Legacy fund	31,803,135	33,461,246	37,219,660	37,478,583	44,430,941	46,242,886	50,310,643	57,061,632	45,701,475	51,993,032	58,848,164	62,538,187	557,089,584
North Dakota outdoor heritage fund	799,177	856,750	938,094	939,609	1,120,956	1,163,800	1,244,642	1,446,034	1,142,630	1,147,485	0	0	10,799,177
Abandoned well reclamation fund	399,588	428,375	469,047	469,805	560,478	581,900	622,321	723,017	145,057	0	0	0	4,399,588
Oil and gas impact grant fund	3,353,446	6,507,580	7,402,364	7,419,034	3,671,022	0	0	0	0	0	0	0	28,353,446
Political subdivisions	19,621,993	32,741,183	22,146,822	22,356,505	25,311,149	25,645,343	26,491,104	29,032,710	23,590,503	26,233,335	28,760,542	30,160,427	312,091,616
Energy impact fund	0	2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000
Common schools trust fund	4,400,446	4,631,262	5,236,388	5,305,453	6,243,043	6,408,586	7,165,593	8,113,338	6,567,648	7,398,616	8,301,701	8,880,779	78,652,853
Foundation aid stabilization fund	4,400,446	4,631,262	5,236,388	5,305,453	6,243,043	6,408,586	7,165,593	8,113,338	6,567,648	7,398,616	8,301,701	8,880,779	78,652,853
Resources trust fund ¹	8,800,891	9,262,525	10,472,776	10,610,906	12,486,086	12,817,172	14,331,186	16,226,677	13,135,296	14,797,231	16,603,401	17,761,558	157,305,705
Oil and gas research fund	901,693	616,717	1,000,125	1,002,139	1,320,379	1,466,497	1,602,896	1,859,744	229,810	0	0	0	10,000,000
General fund	31,529,635	16,400,586	33,943,874	34,041,124	46,716,039	37,368,742	0	0	0	0	62,381,569	80,238,887	342,620,456
Tax relief fund	0	0	0	0	0	16,039,441	58,768,167	67,628,946	55,258,186	2,305,260	0	0	200,000,000
Budget stabilization fund	0	0	0	0	0	0	0	0	0	62,036,531	12,963,469	0	75,000,000
Lignite research fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Strategic investment and improvements fund	0	0	0	0	0	0	0	0	0	0	0	0	0
State disaster relief fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Total oil tax allocations	\$118,067,887	\$123,215,491	\$137,136,342	\$138,077,116	\$163,716,093	\$171,462,564	\$185,958,234	\$208,900,334	\$167,585,679	\$191,465,591	\$217,087,144	\$231,758,858	\$2,054,431,333
¹ The amounts shown for the resources trust fund include transfers to the following:													
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	Biennium-to- Date Total
Energy conservation grant fund	\$44,004	\$46,313	\$52,364	\$53,055	\$4,264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Renewable energy development fund	264,027	277,876	314,183	318,327	374,583	384,515	429,936	486,800	149,753	0	0	0	3,000,000
Total transfers	\$308,031	\$324,189	\$366,547	\$371,382	\$378,847	\$384,515	\$429,936	\$486,800	\$149,753	\$0	\$0	\$0	\$3,200,000