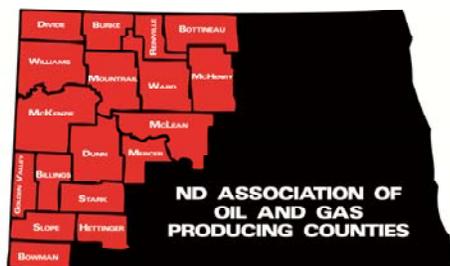


# Where Are We At?

# Where Are We Going?

Energy Development and Transmission  
Interim Committee  
Sen. Richard Wardner, Chairman



January 26, 2012

Dan Brosz, President  
ND Association of Oil and Gas Producing Counties



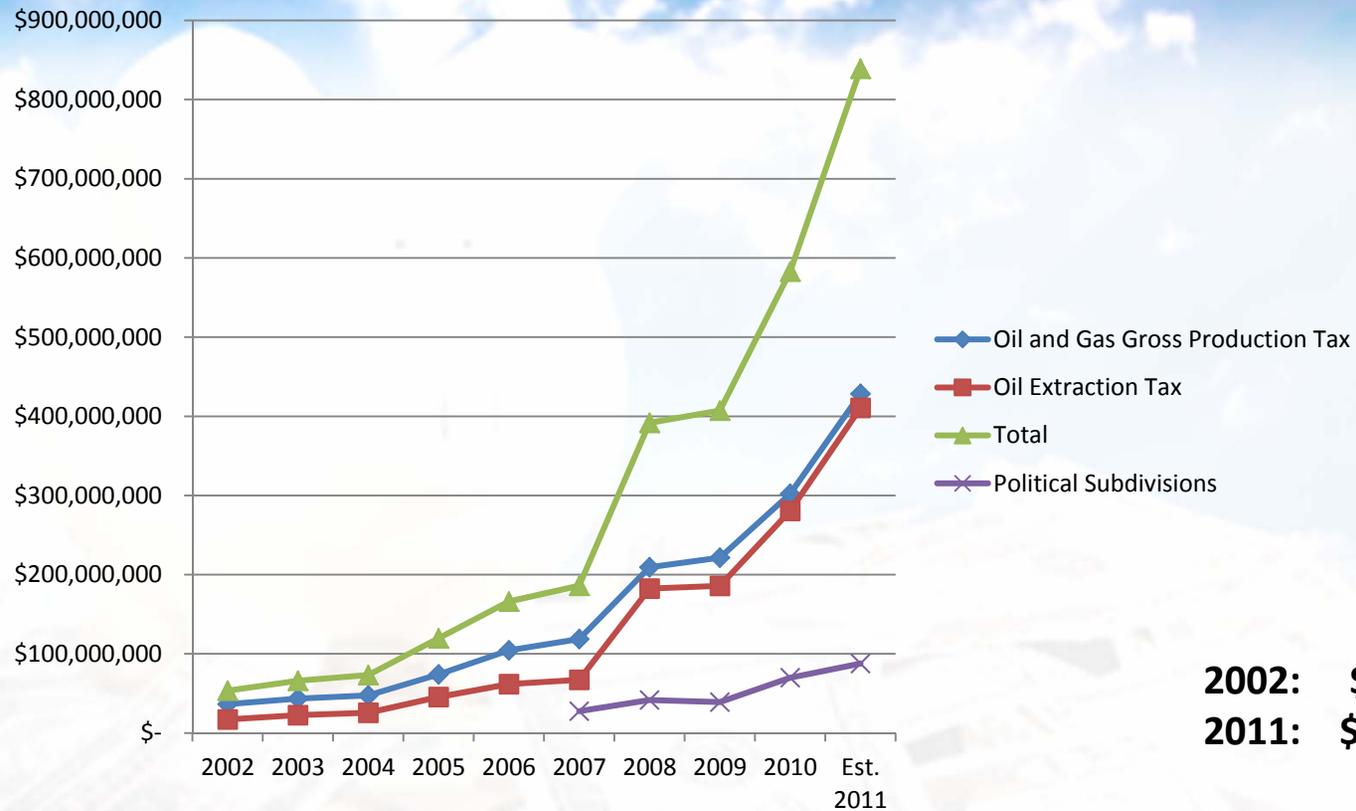
# Vision West ND Regional Consortium



## Regional Partners

- REAP Investment Fund
- ND Assoc. of Oil & Gas Producing Counties
- Southwest REAP Zone
- Building Communities, Inc.
- Dickinson State University
- Minot State University
- Williston State University
- Roosevelt Custer Regional Planning Council
- Souris Basin Planning Council
- Mandan, Hidasta, and Arikara Nation

# Oil and Gas Annual Tax Revenue



**2002: \$ 54 million**  
**2011: \$ 839 million**

**Revenue Up 1,466% since 2002**

Source: ND Office of State Tax Commissioner

# 11.5% Total Oil Tax Based on Two Taxes

5% Gross Production Tax  
Established in 1953

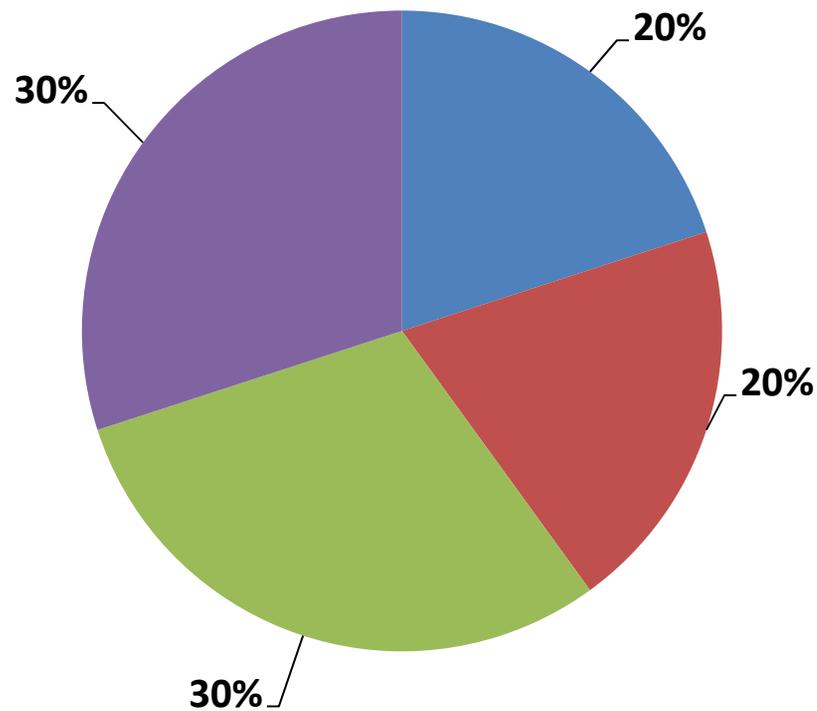


6.5% Extraction Tax  
Established in 1980

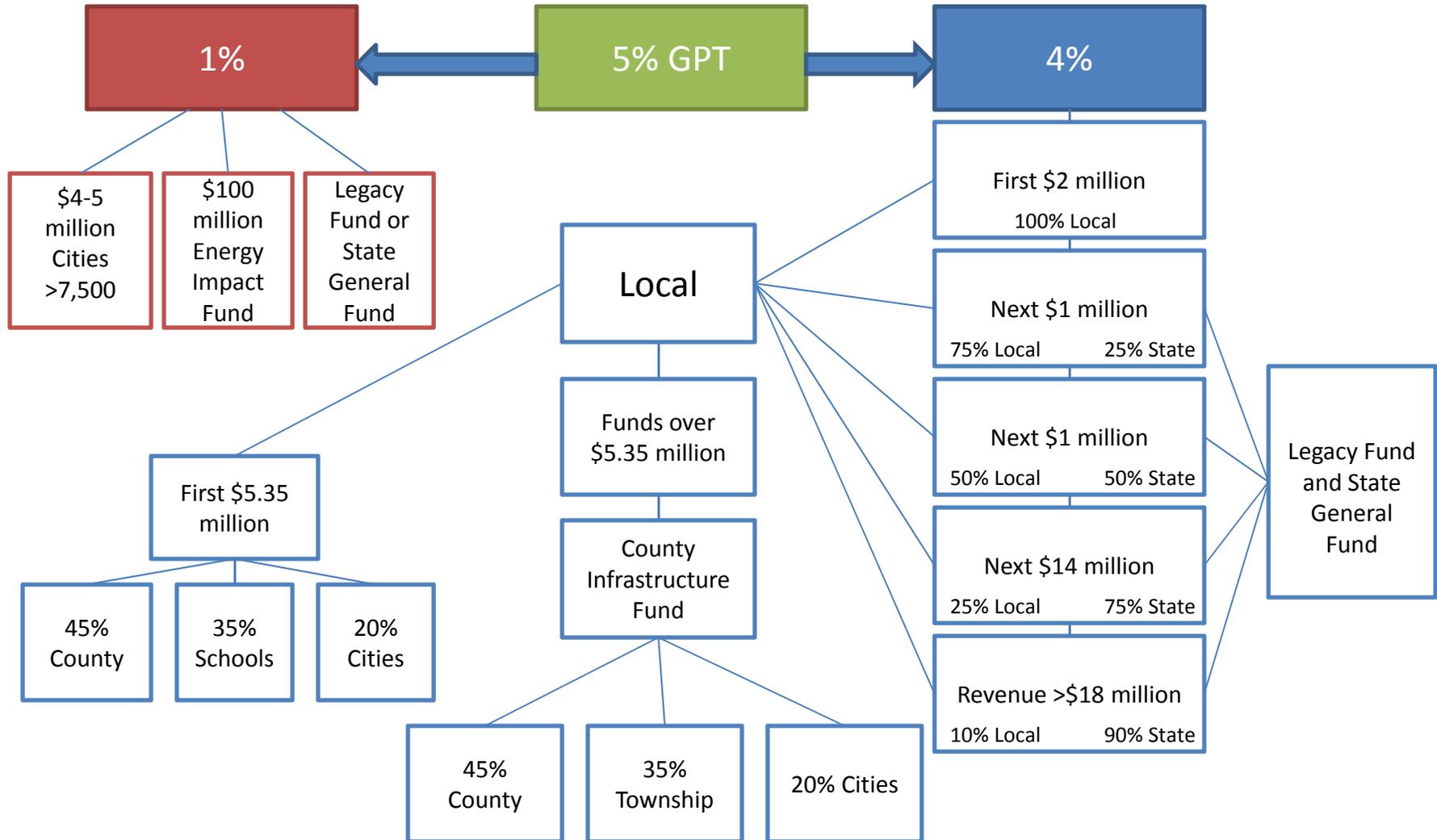


Total Tax  
11.5%

# Oil Extraction 6.5% Tax Distribution



# Gross Production 5% Tax Distribution



# Distribution First \$5.35 Million of County Share of GPT

45%  
County General Fund

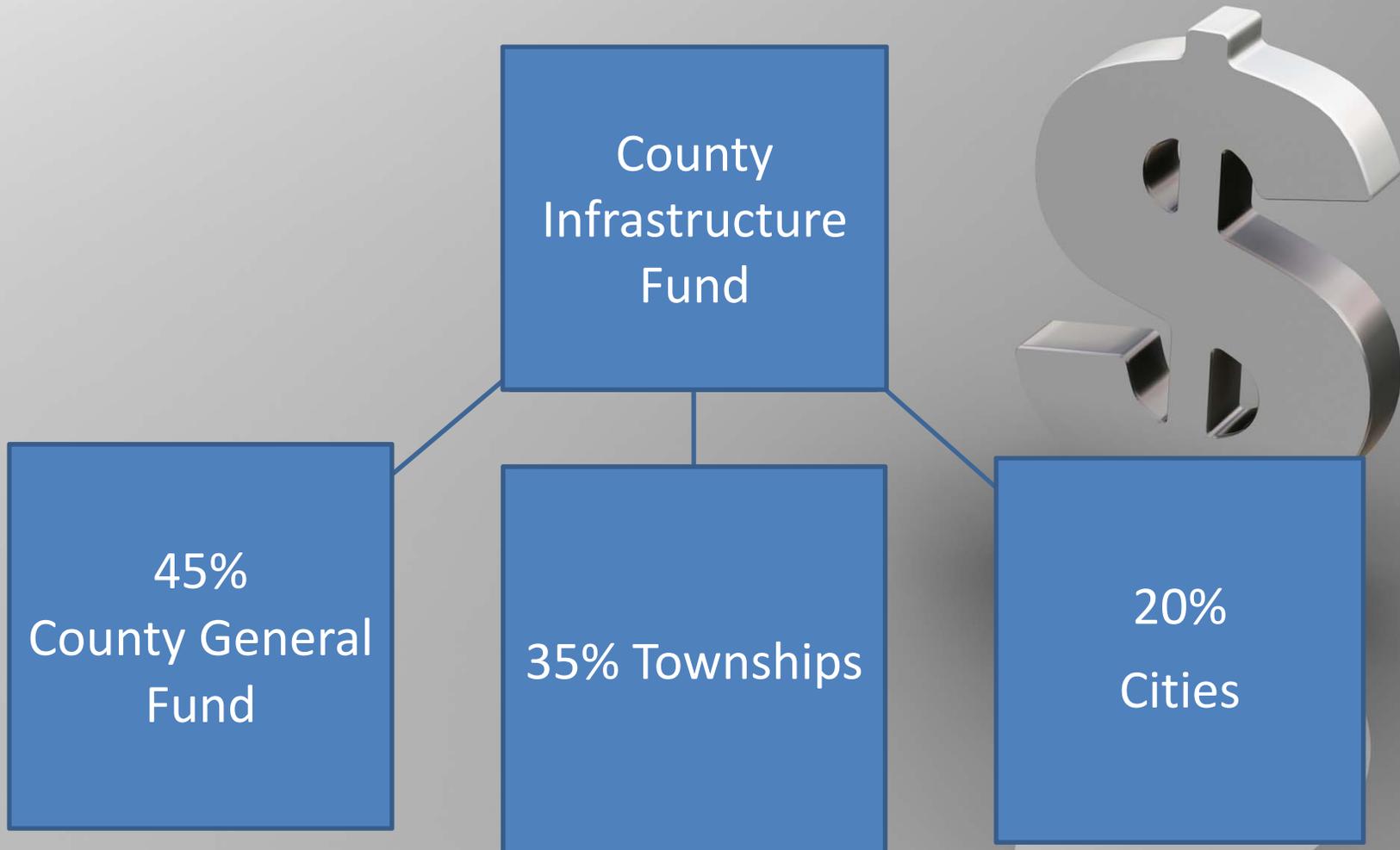
35%  
School Districts

- First \$350,000: 100% School Districts
- Next \$350,000: 75% School Districts / 25% County Infrastructure Fund
- Next \$262,500: 66.7% School Districts / 33.3% County Infrastructure Fund
- Next \$175,000: 50% School Districts / 50% County Infrastructure Fund

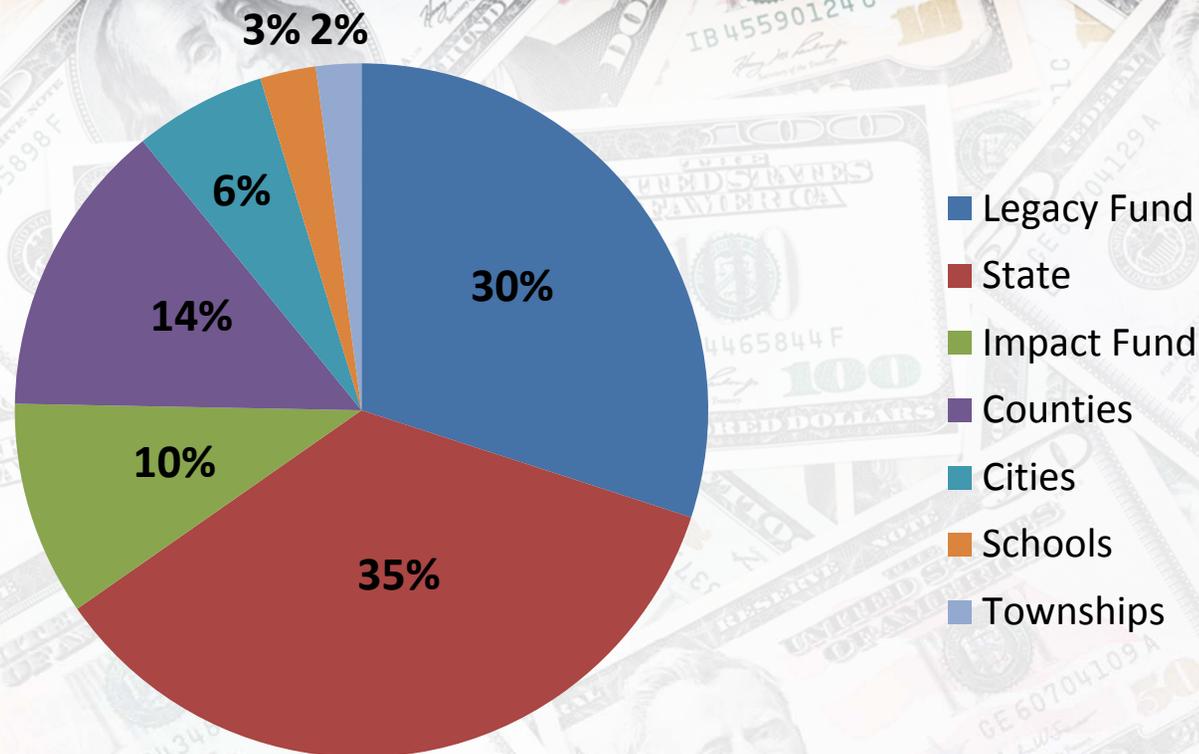
20%  
Cities

- Based upon population from last Federal decennial Census

# Distribution of County Share of GPT Amount Exceeding \$5.35 Million

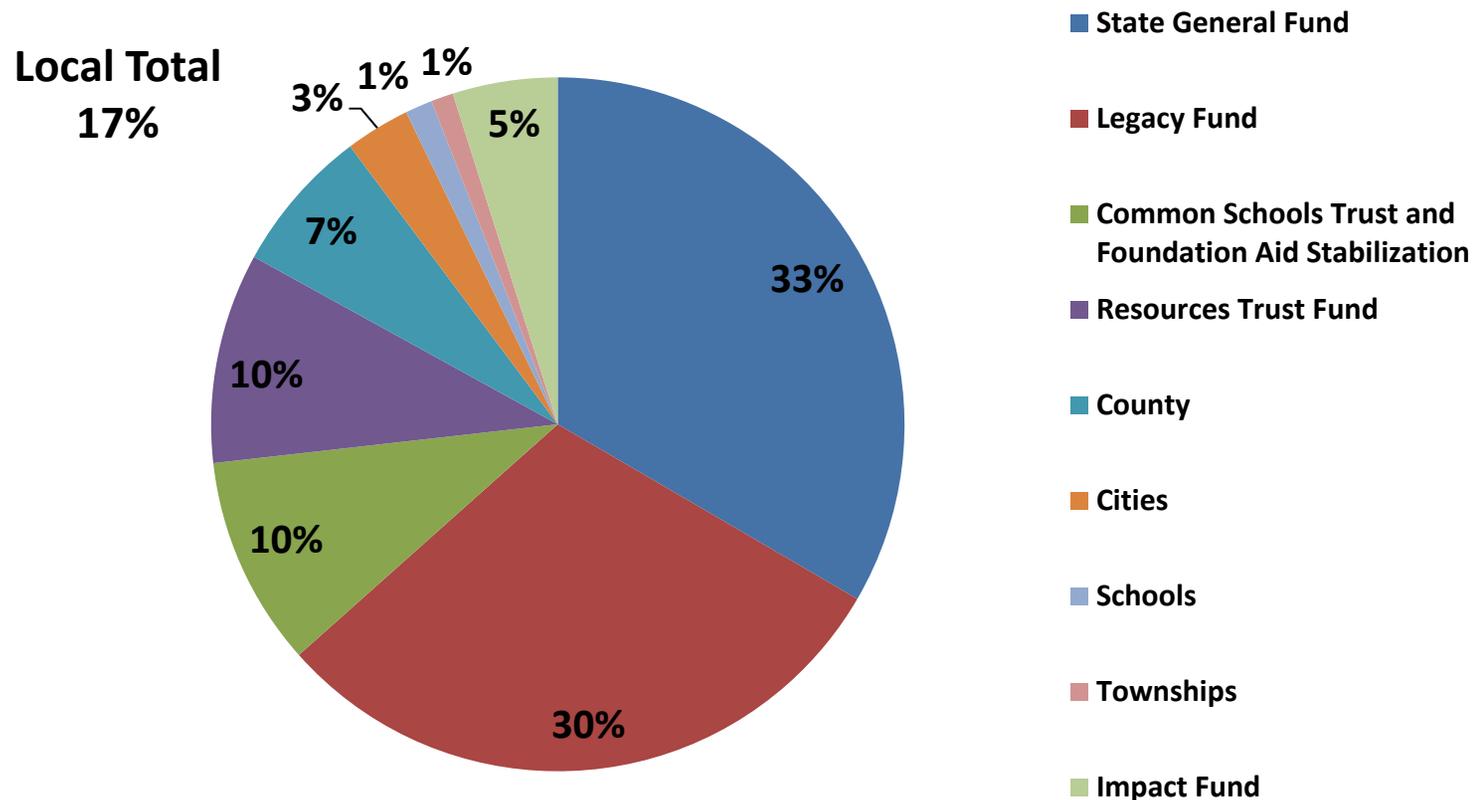


# Gross Production Tax Distribution



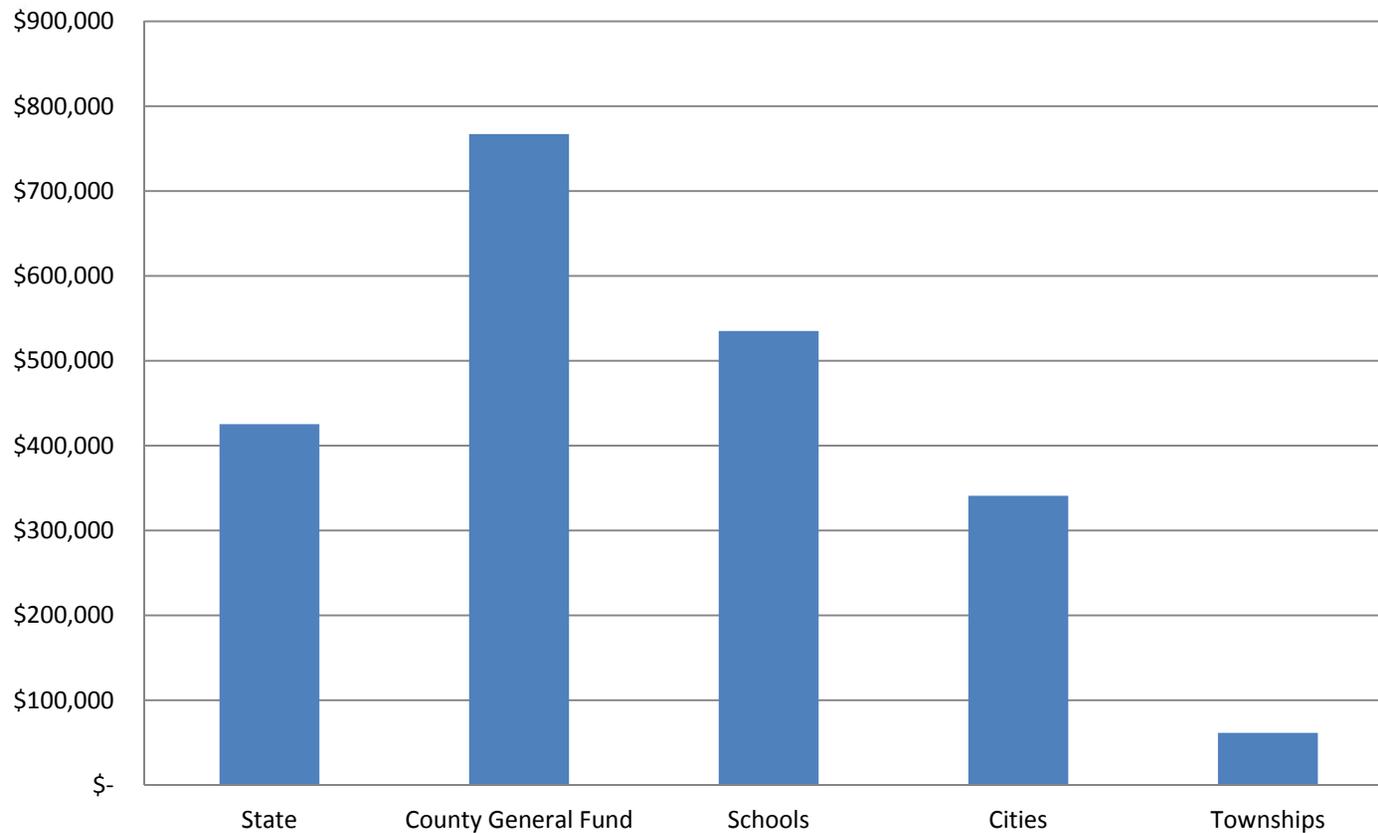
Based upon biennial income of \$1B  
Gross Production Tax

# Gross Production Tax and Extraction Tax Combined Distribution



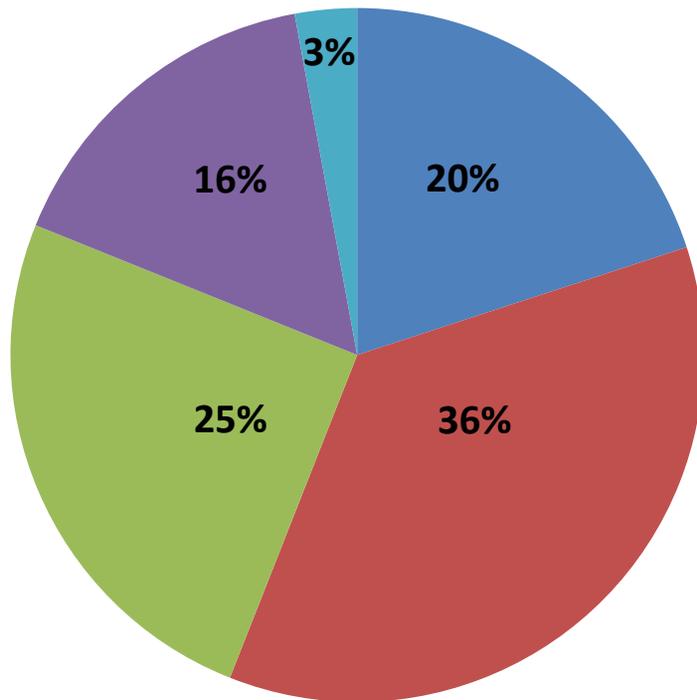
Based upon biennial income of \$2.042 B Gross Production and Extraction Tax

# Golden Valley County: Low Oil Production Gross Production Tax Distribution

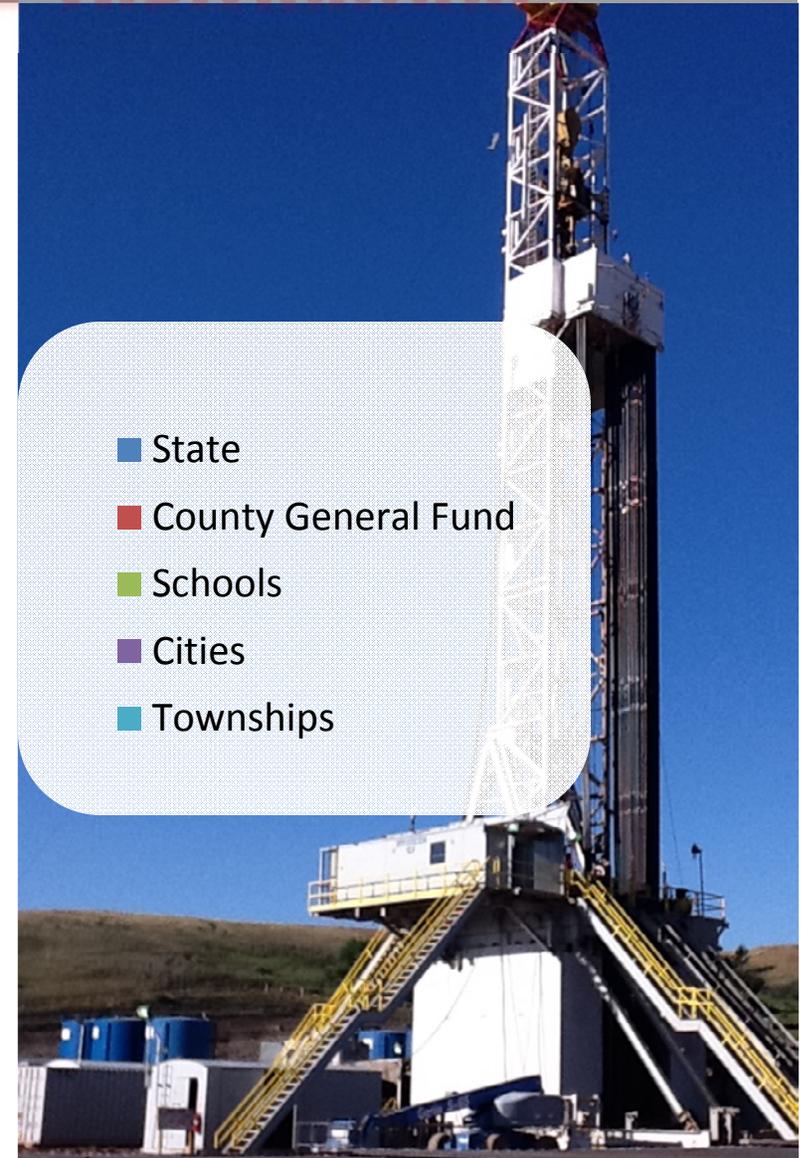


Source: ND Office of State Treasurer

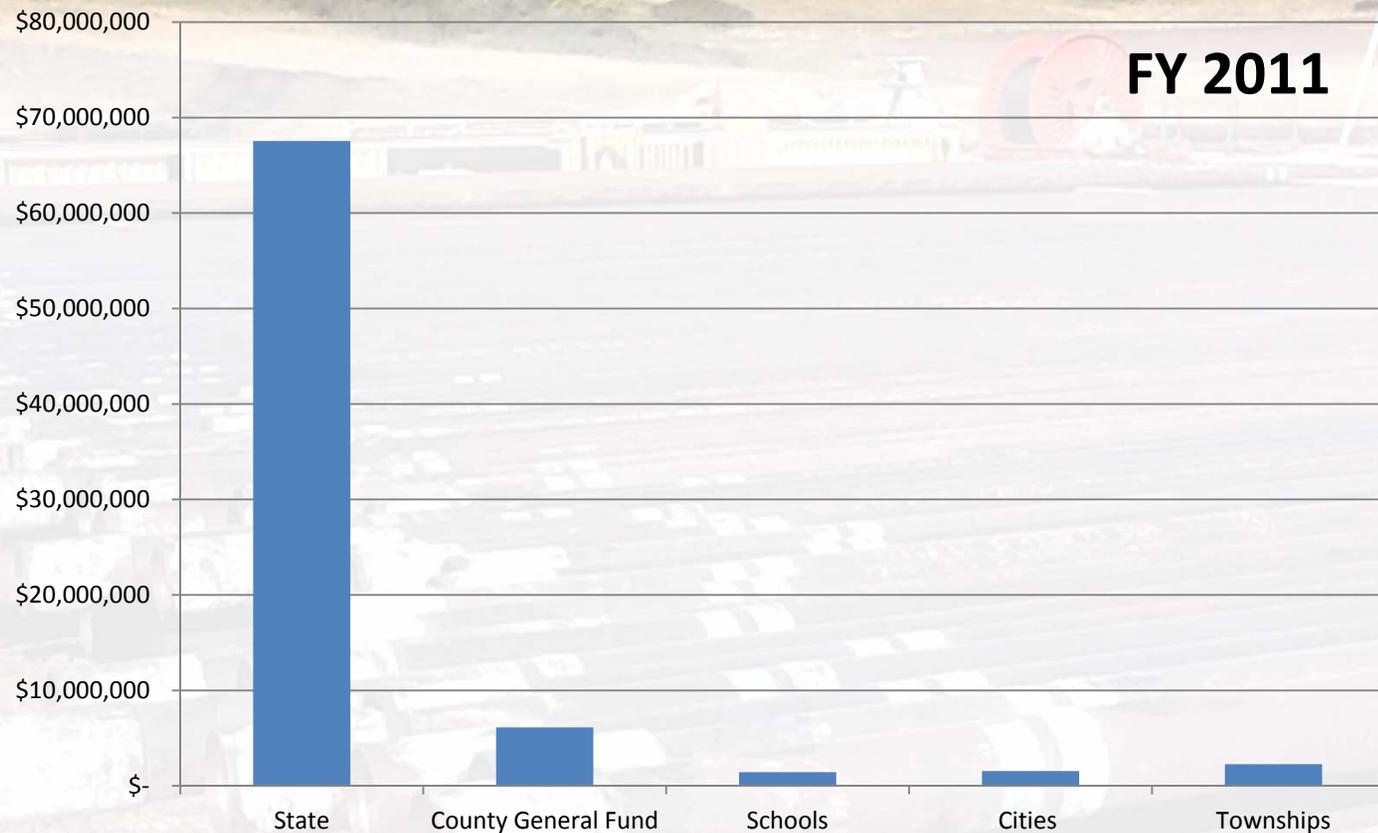
# Golden Valley County: Low Oil Production Gross Production Tax Distribution



Source: ND Office of State Treasurer

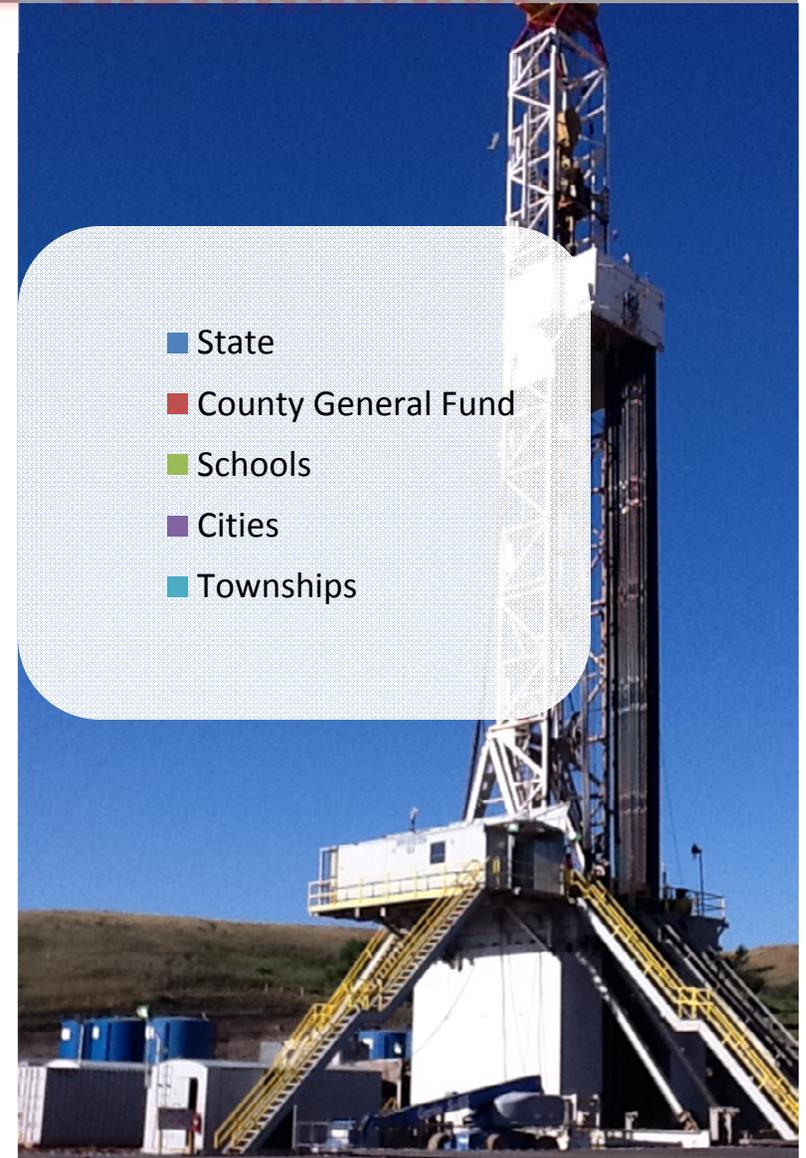
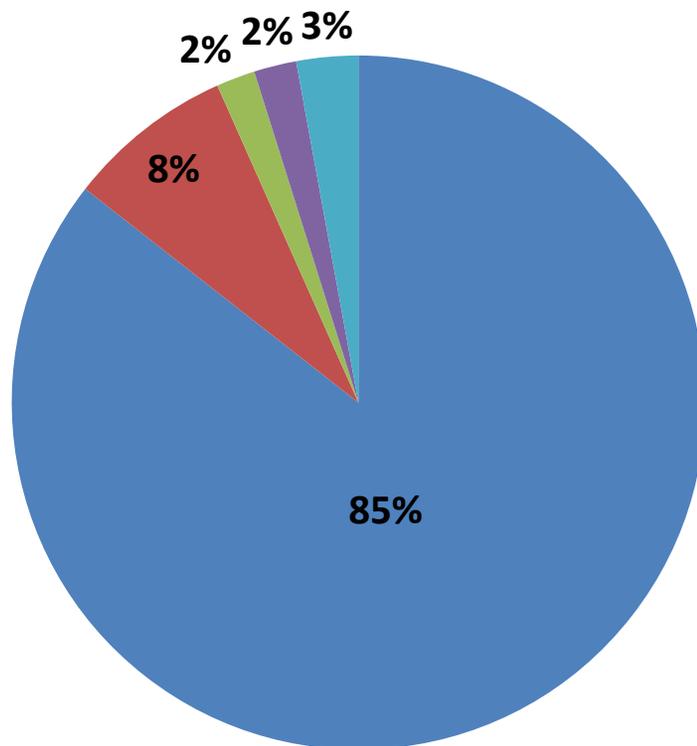


# McKenzie County: High Oil Production Gross Production Tax Distribution



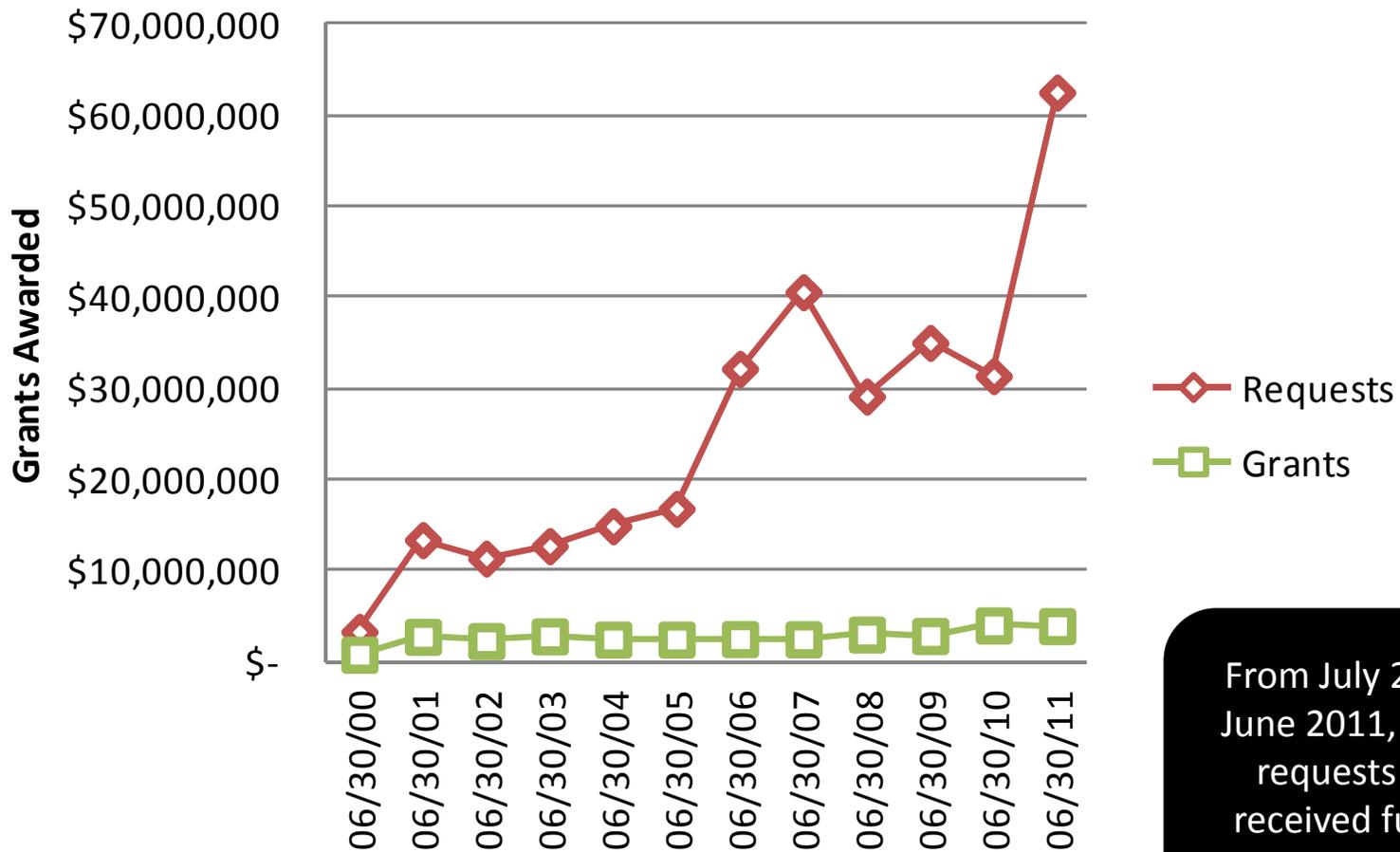
Source: ND Office of State Treasurer and McKenzie County Auditor,  
Applications considered annually each December

# McKenzie County: High Oil Production Gross Production Tax Distribution



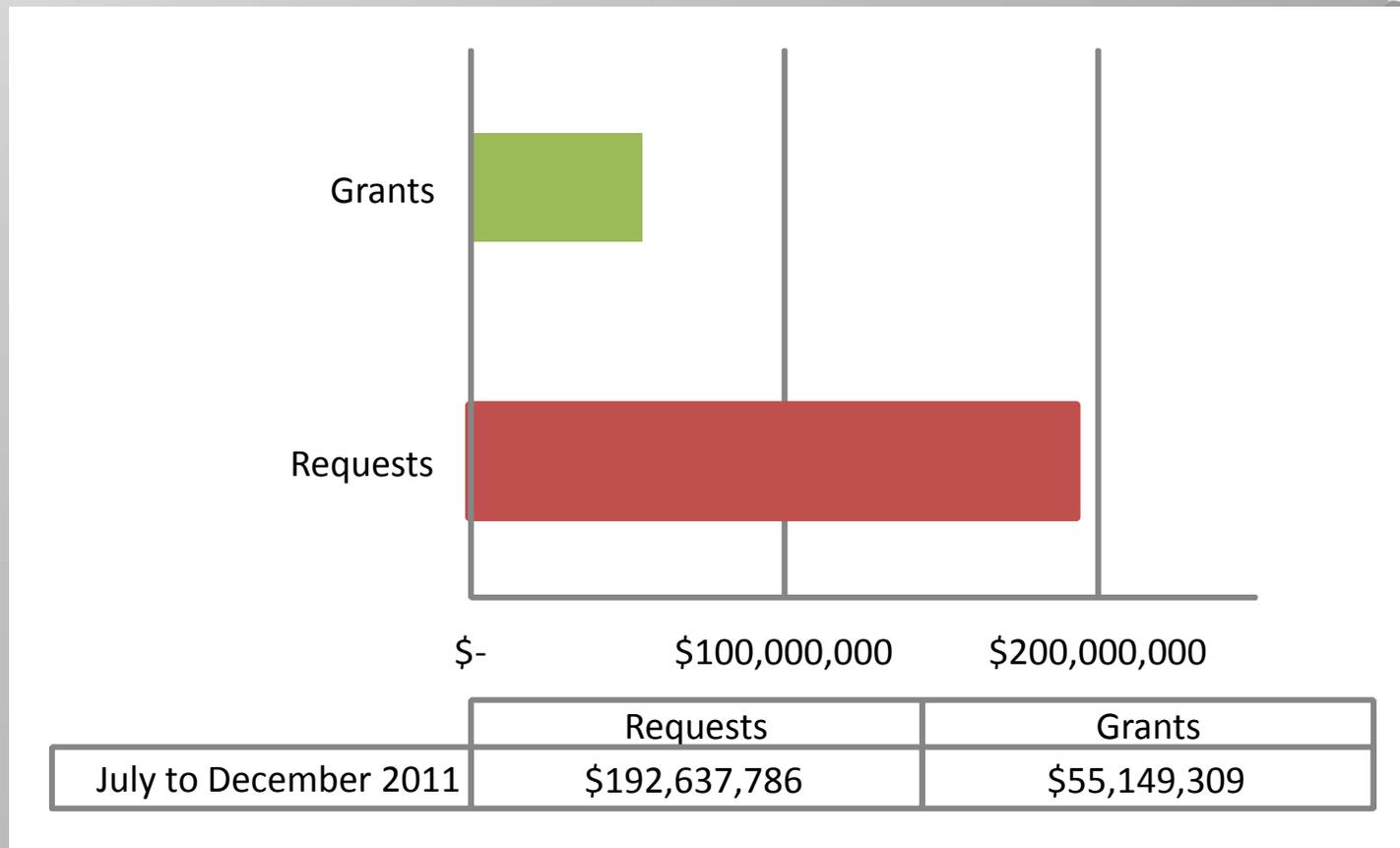
Source: ND Office of State Treasurer and McKenzie County Auditor,  
Applications considered annually each December

# Impact Fund Recap 2000-2011



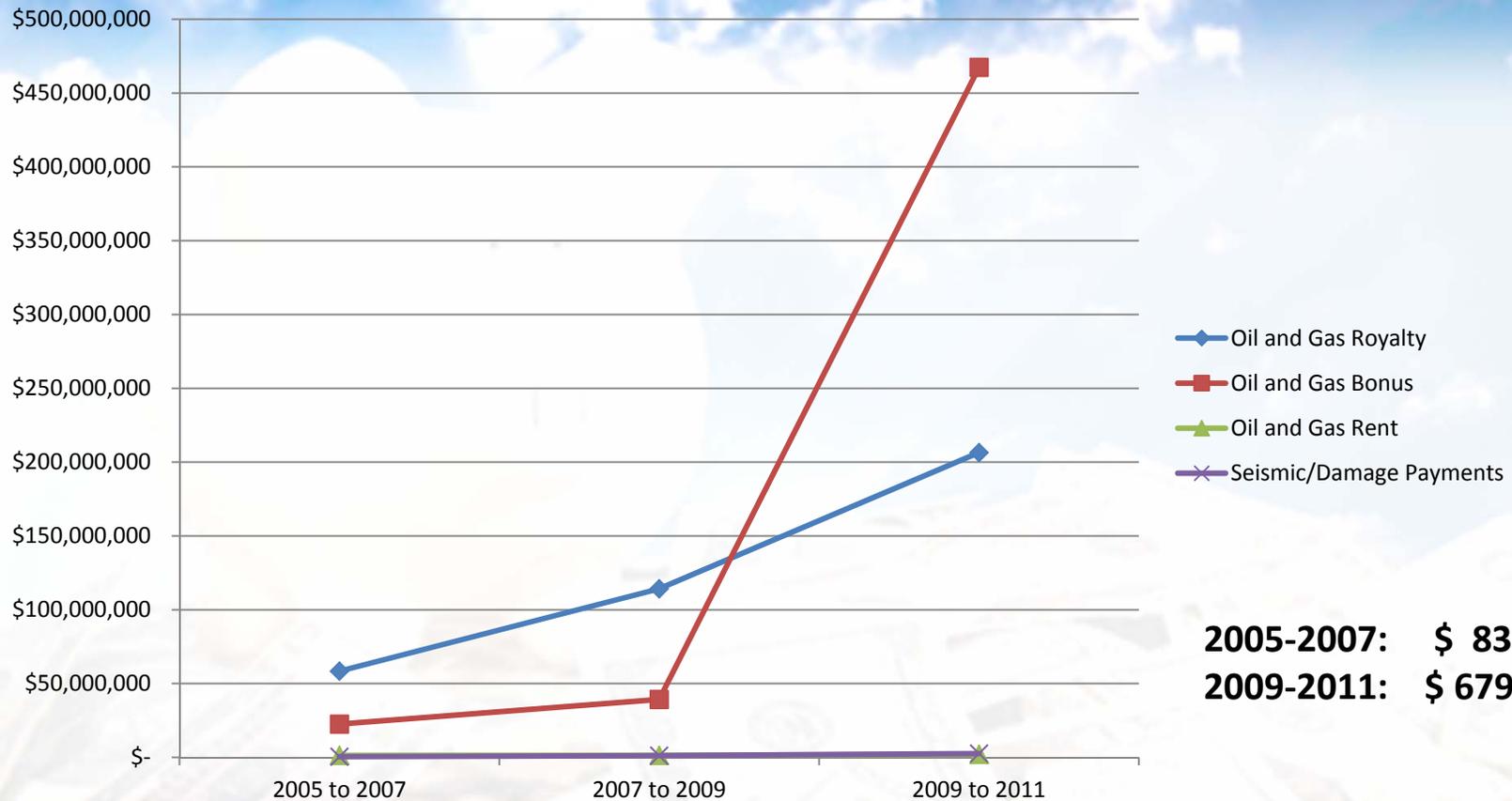
From July 2000 to June 2011, 10% of requests have received funding

# Impact Fund: July to December 2011



**29% of requests were funded**

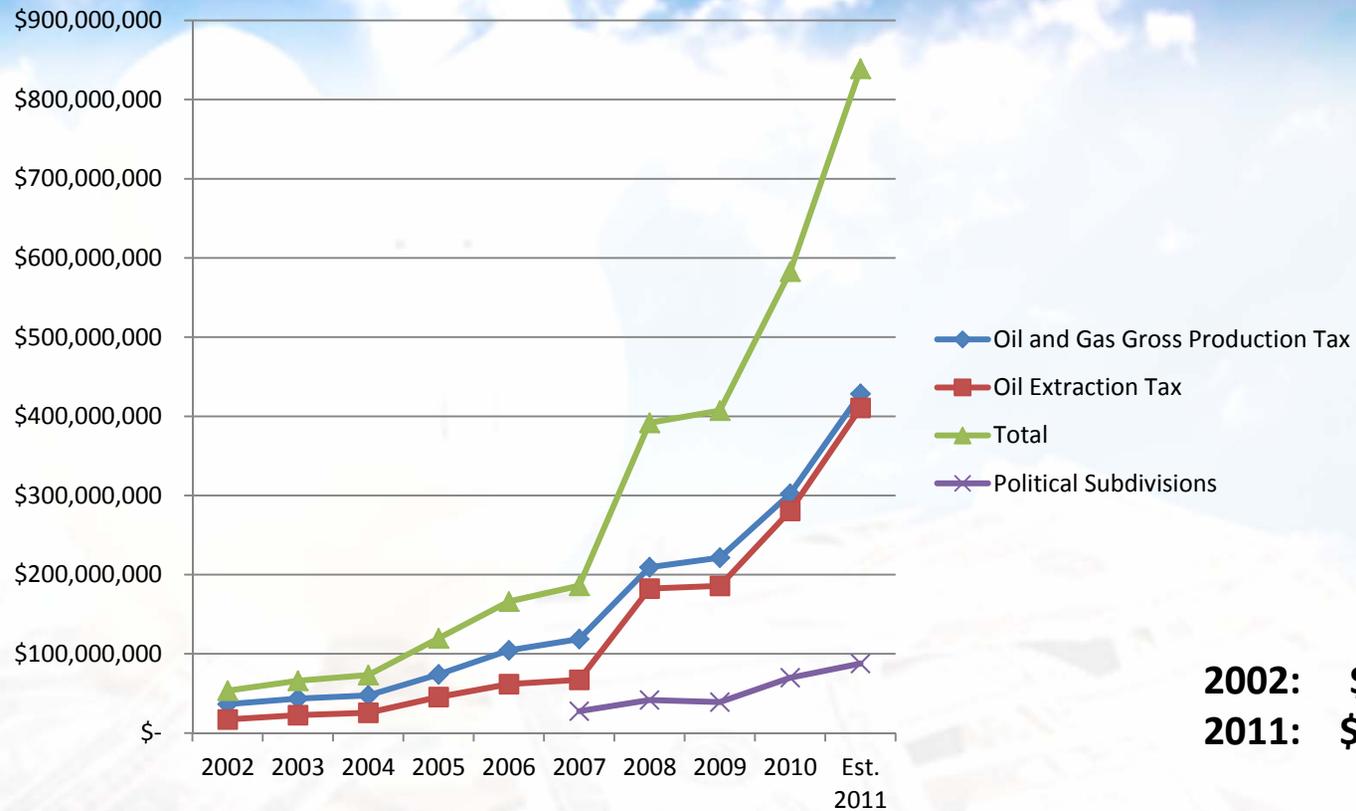
# Oil and Gas Rents And Royalty Income



Revenue up 719% since 2005-2007 biennium  
ND Department of Trust Lands has a royalty  
interest in 1,700 of the 6,200 wells currently in ND

Source: ND Department of Trust Lands

# Oil and Gas Annual Tax Revenue



**2002: \$ 54 million**  
**2011: \$ 839 million**

**Revenue Up 1,466% since 2002**

Source: ND Office of State Tax Commissioner

# Thank You!

## Contact Information

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[www.ndenergy.org](http://www.ndenergy.org)

