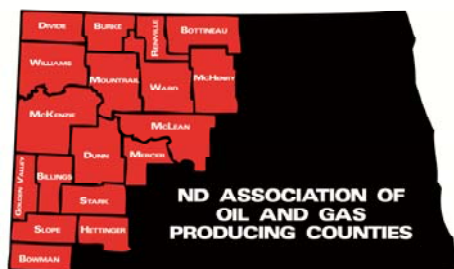


Where Are We At?

Where Are We Going?

Energy Development and Transmission
Interim Committee

Sen. Richard Wardner, Chairman

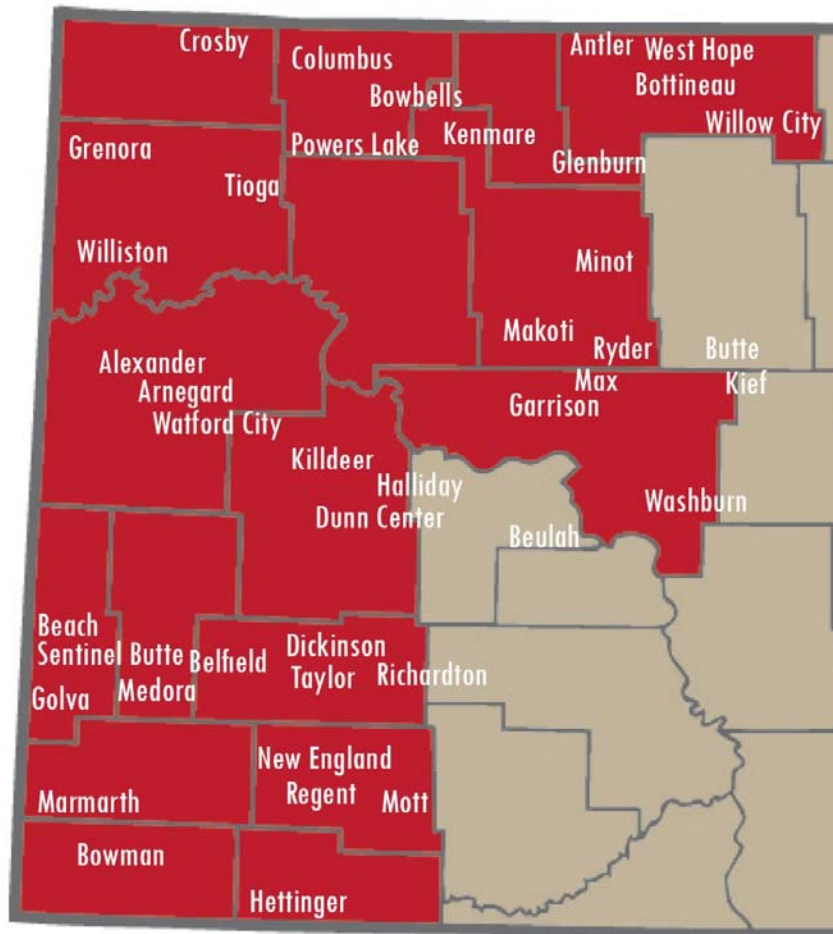


January 26, 2012

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



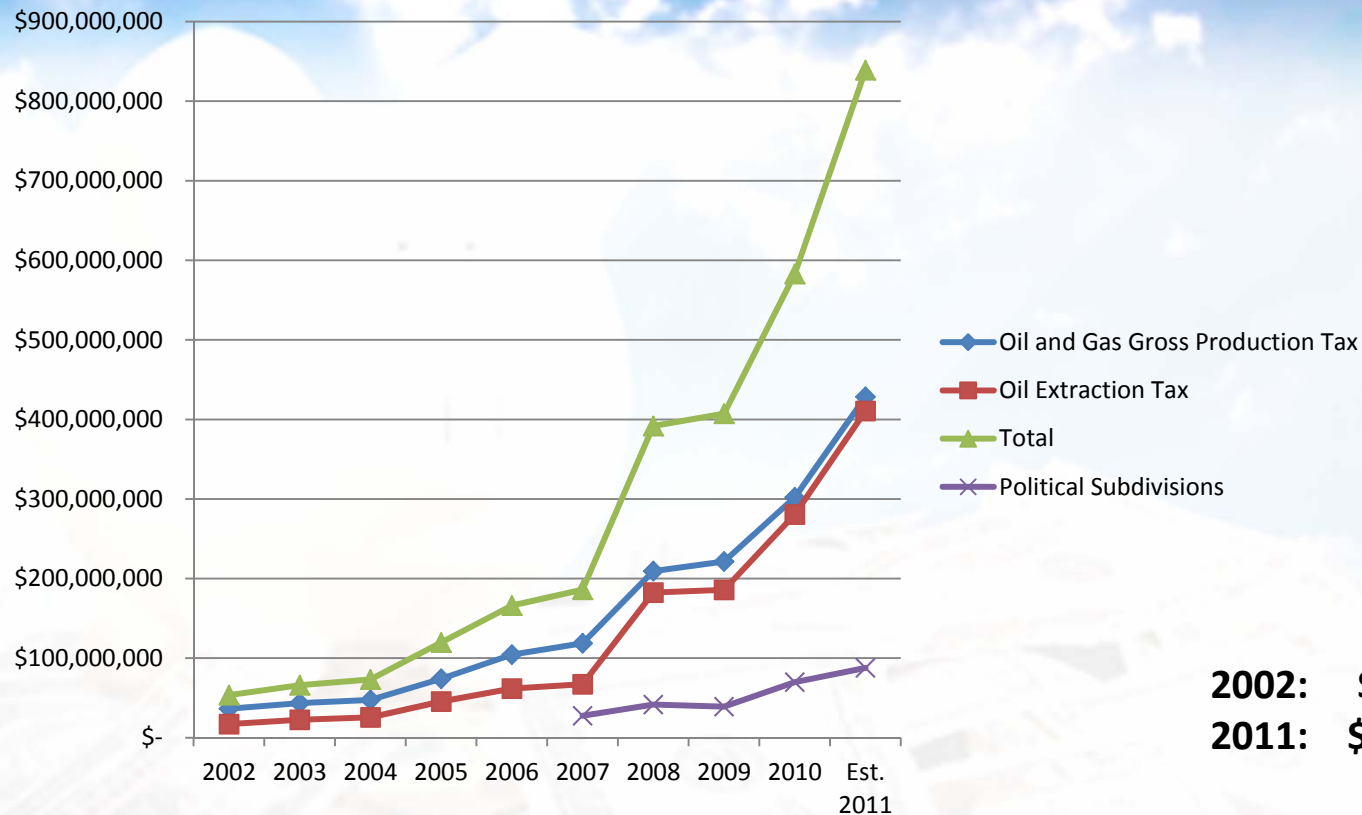
Vision West ND Regional Consortium



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

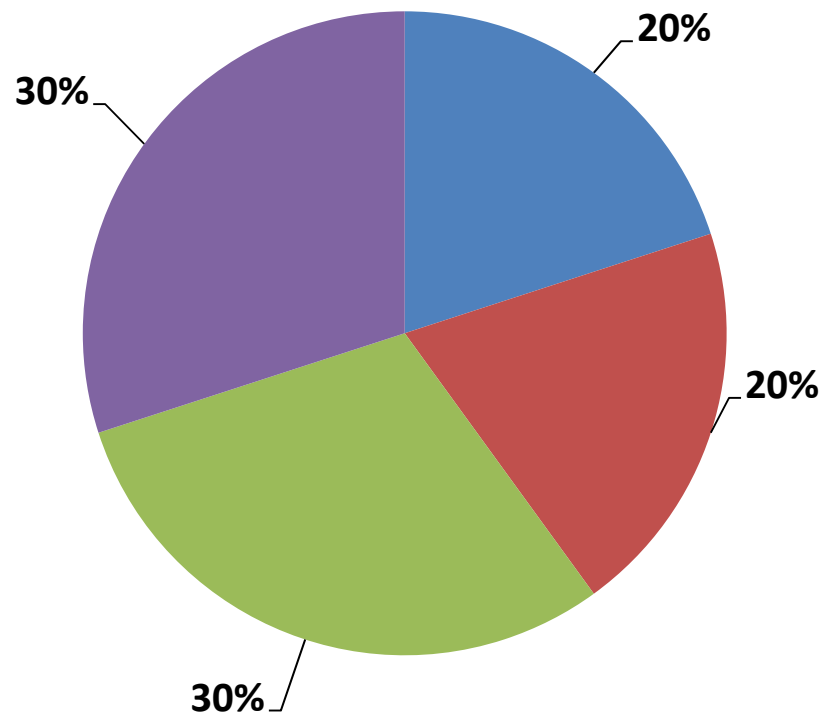


6.5% Extraction Tax
Established in 1980

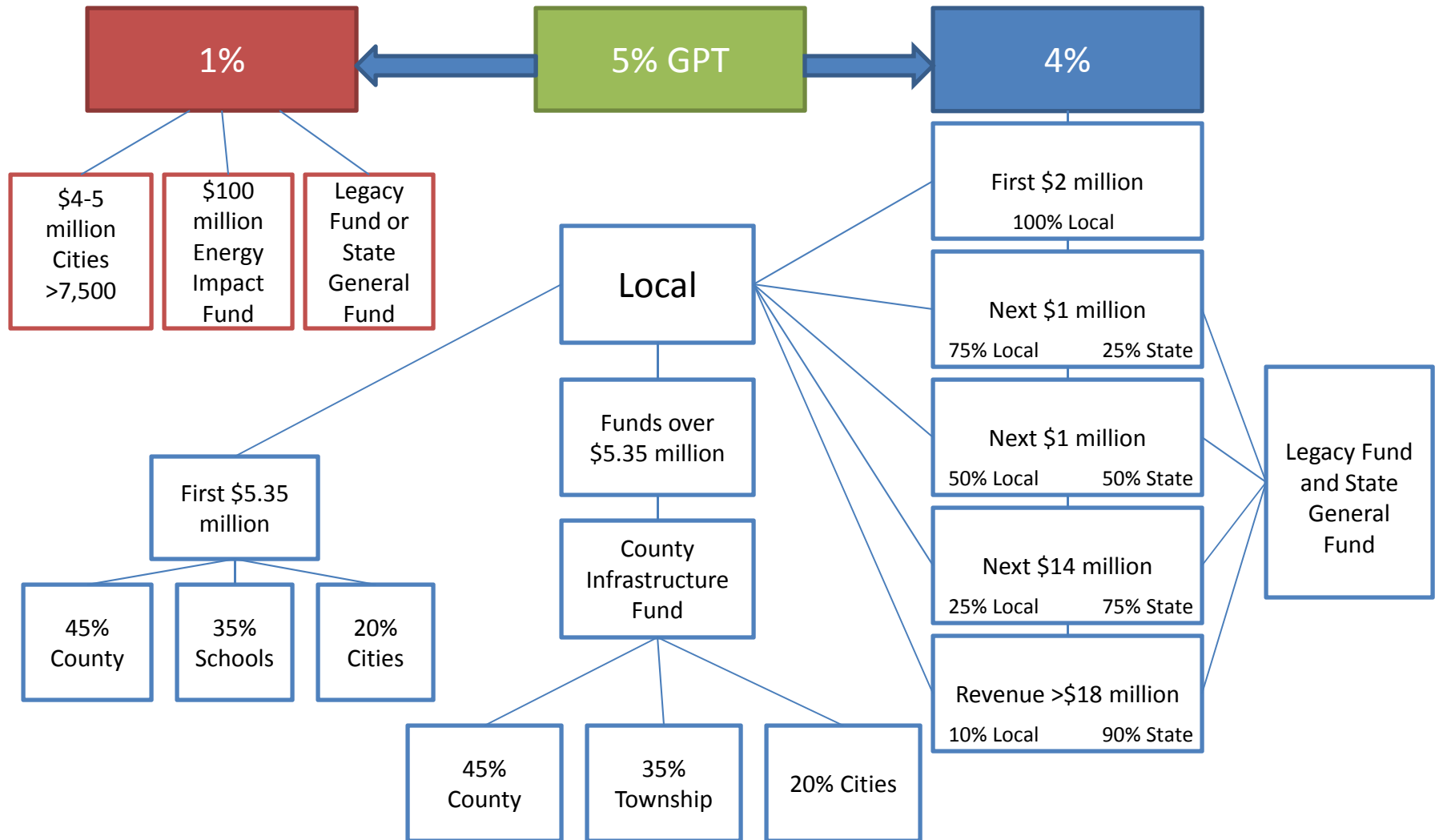


Total Tax
11.5%

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

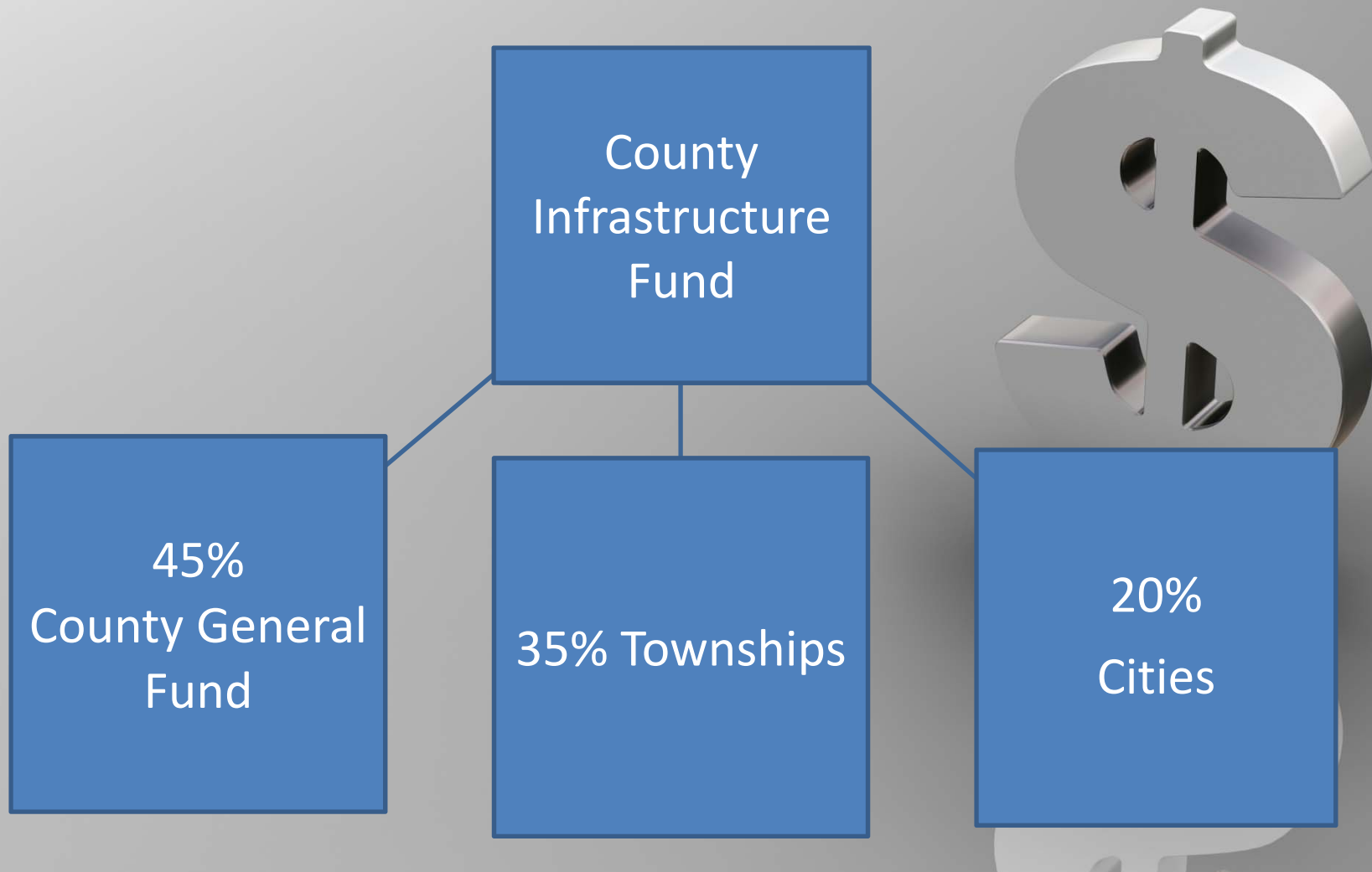
35%
School Districts

- 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

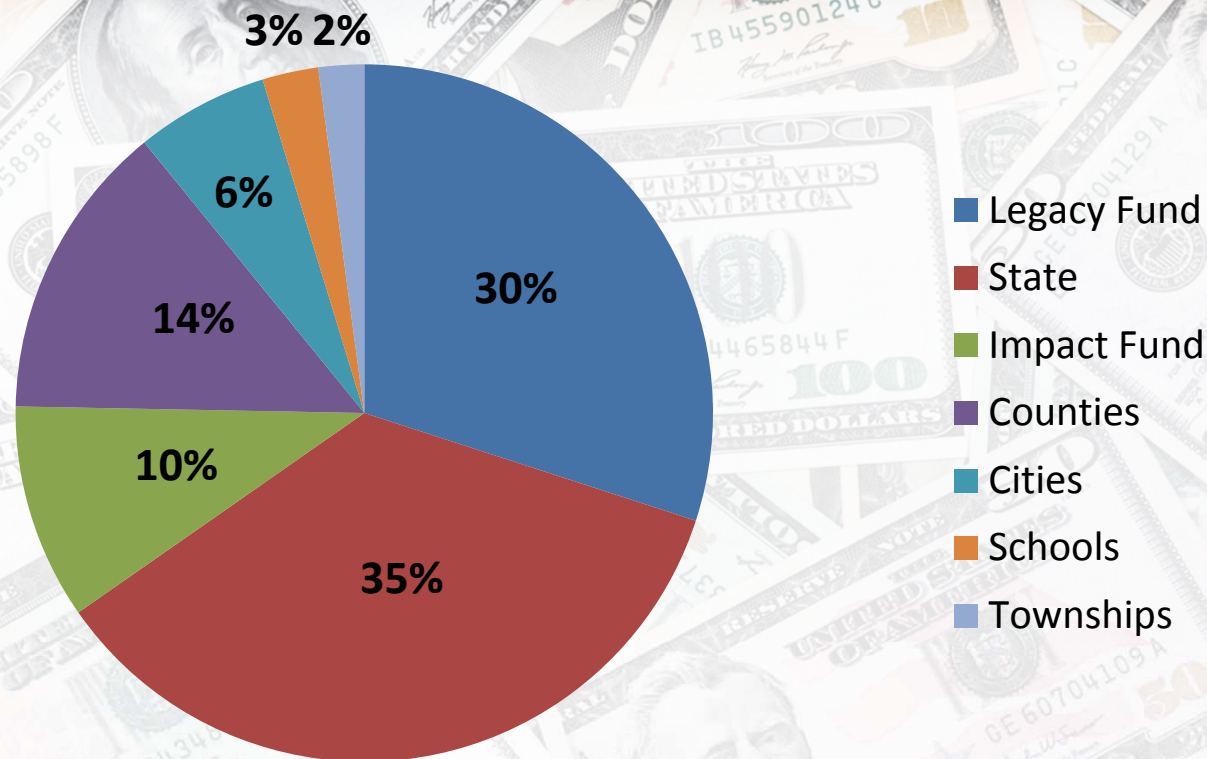
20%
Cities

- Based upon population from last Federal decennial Census

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

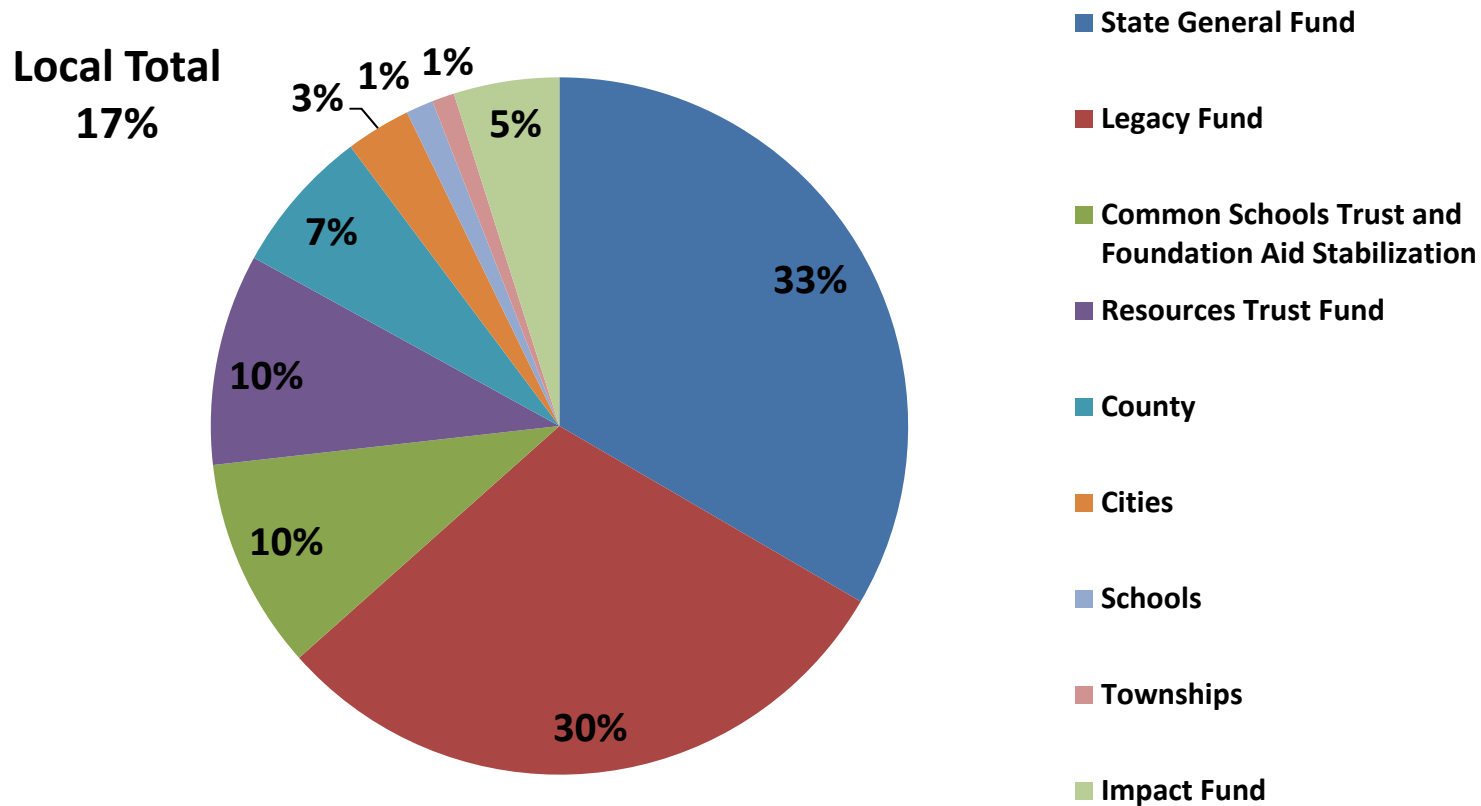


Gross Production Tax Distribution



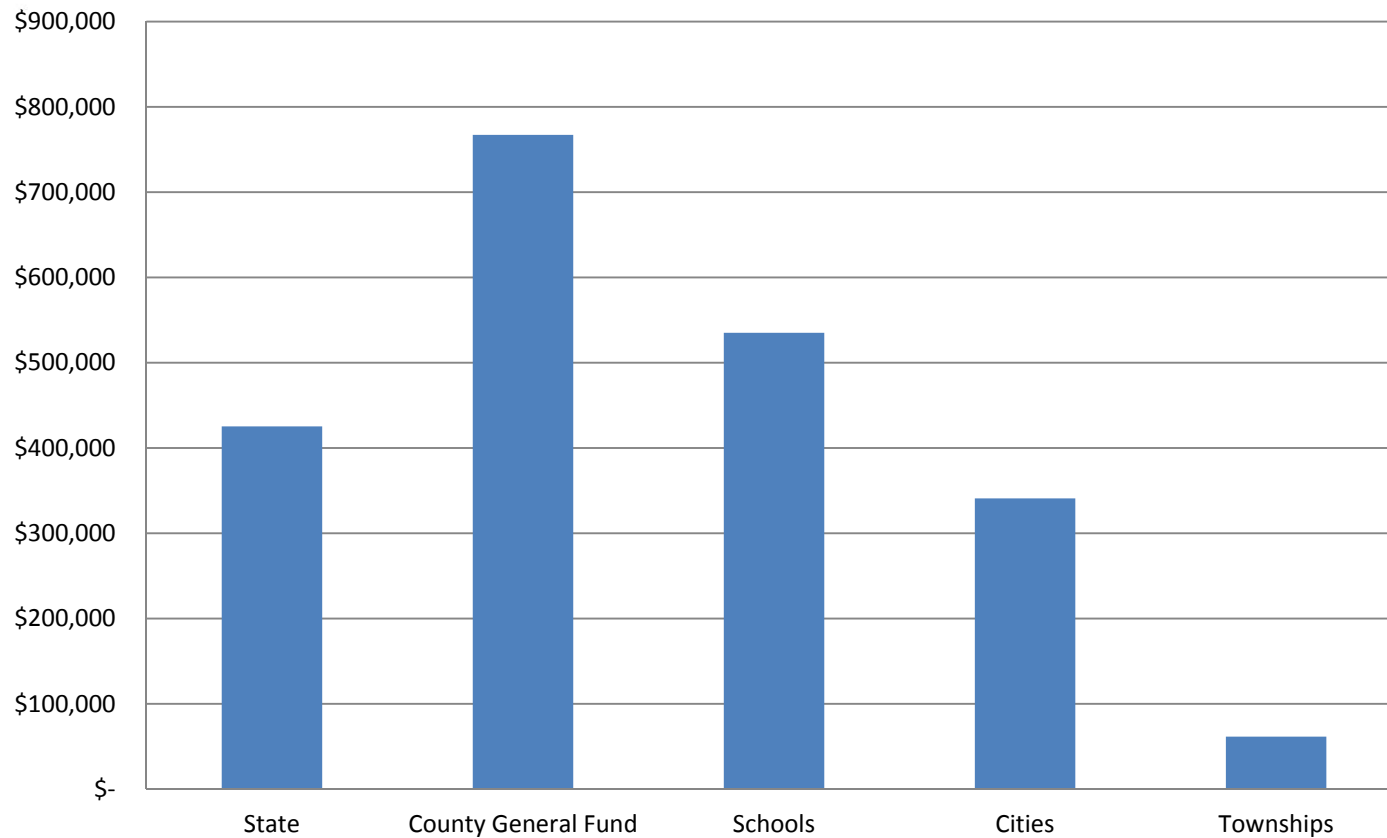
Based upon biennial income of \$1B
Gross Production Tax

Gross Production Tax and Extraction Tax Combined Distribution



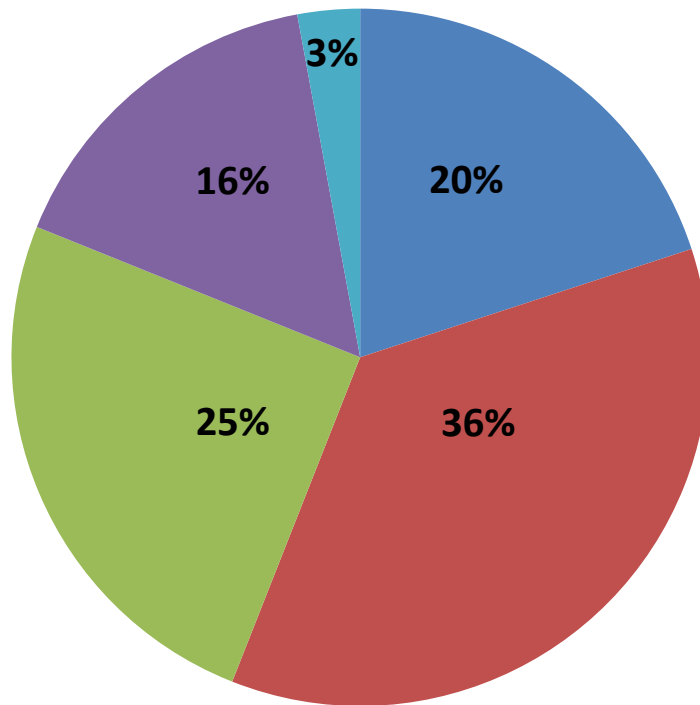
Based upon biennial income of \$2.042 B Gross Production and Extraction Tax

Golden Valley County: Low Oil Production Gross Production Tax Distribution

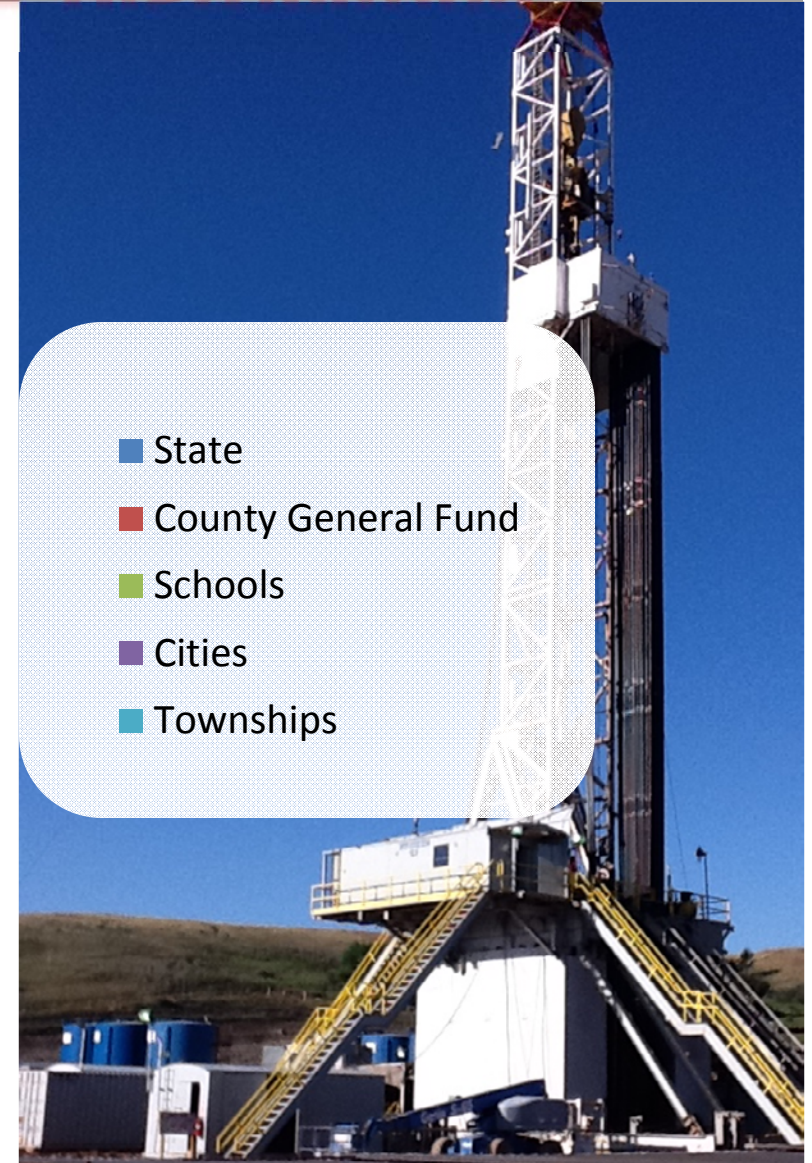


Source: ND Office of State Treasurer

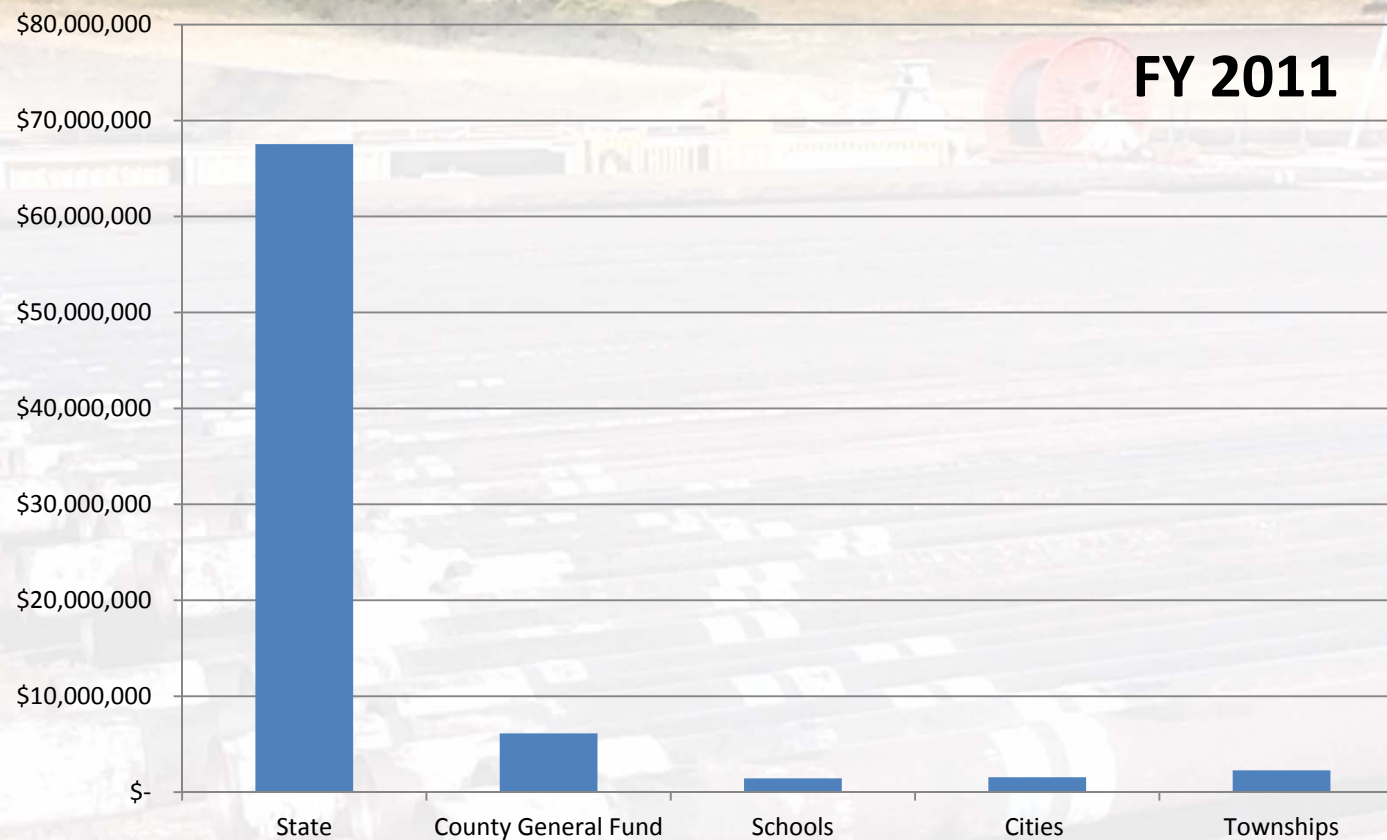
Golden Valley County: Low Oil Production Gross Production Tax Distribution



Source: ND Office of State Treasurer

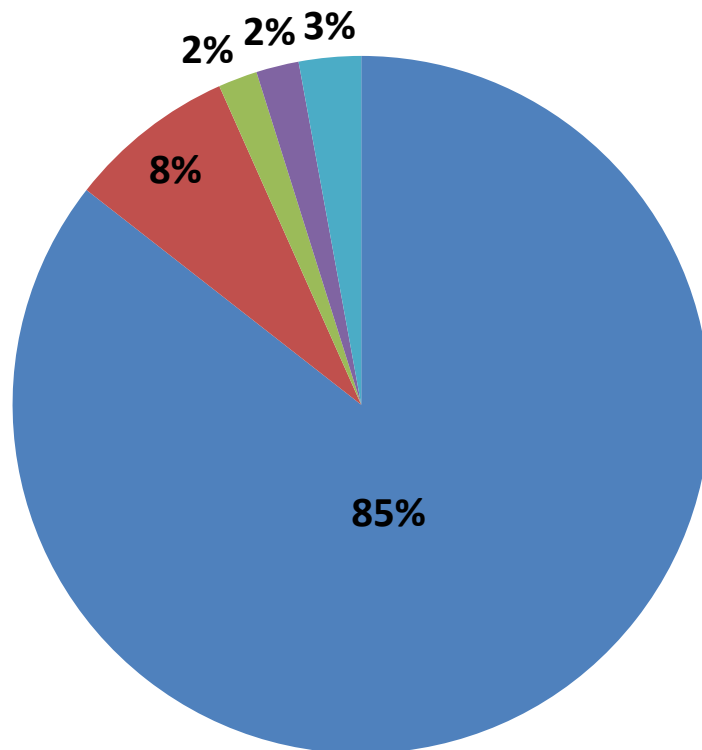


McKenzie County: High Oil Production Gross Production Tax Distribution

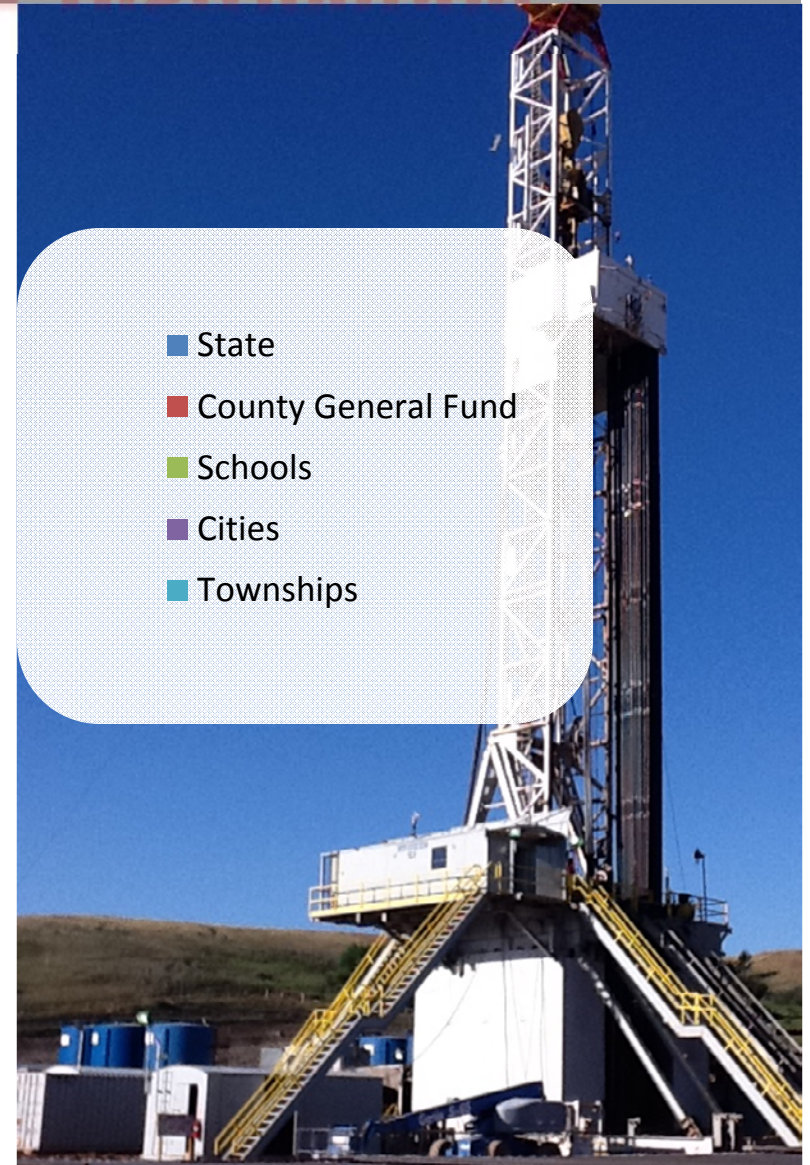


Source: ND Office of State Treasurer and McKenzie County Auditor,
Applications considered annually each December

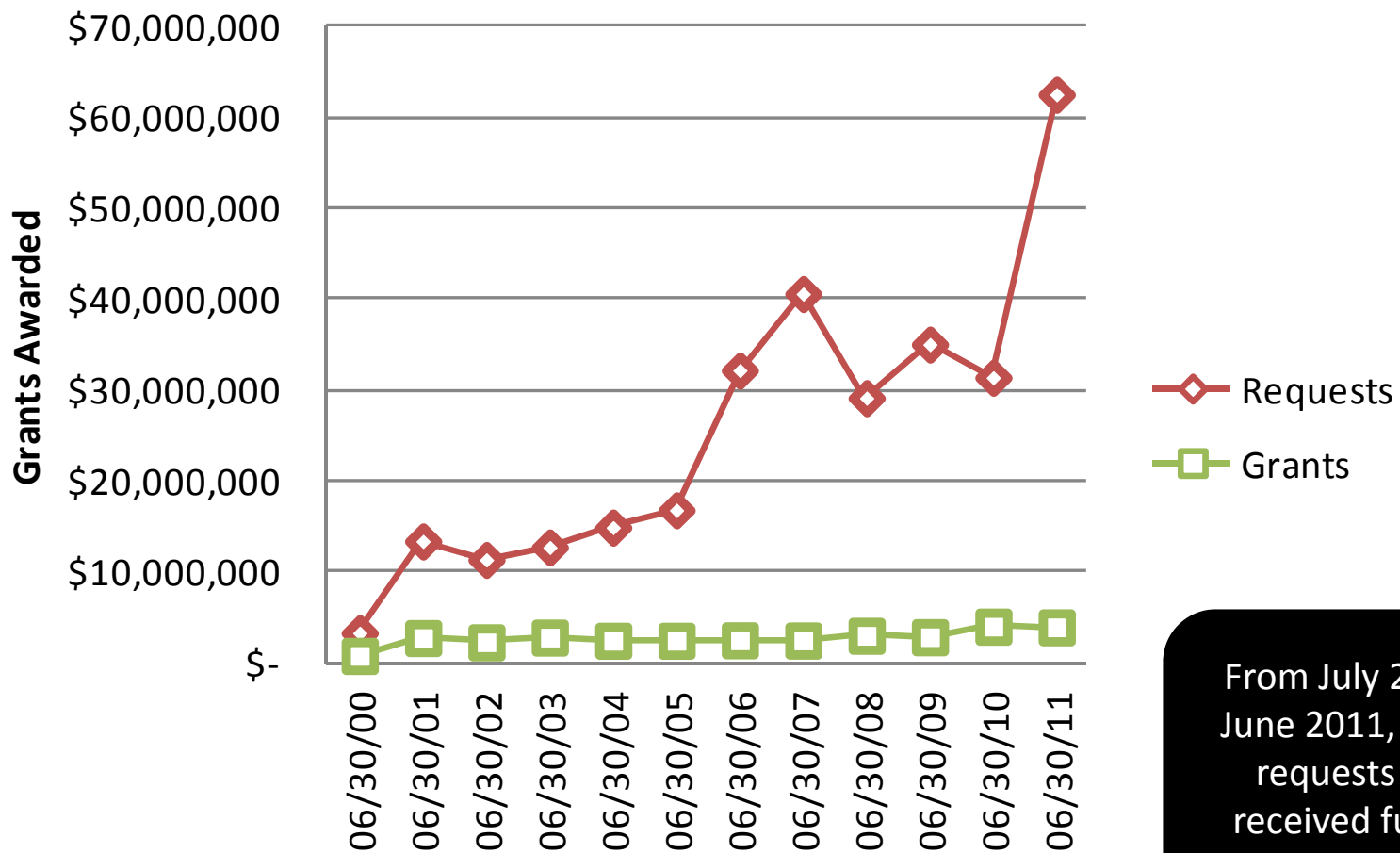
McKenzie County: High Oil Production Gross Production Tax Distribution



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

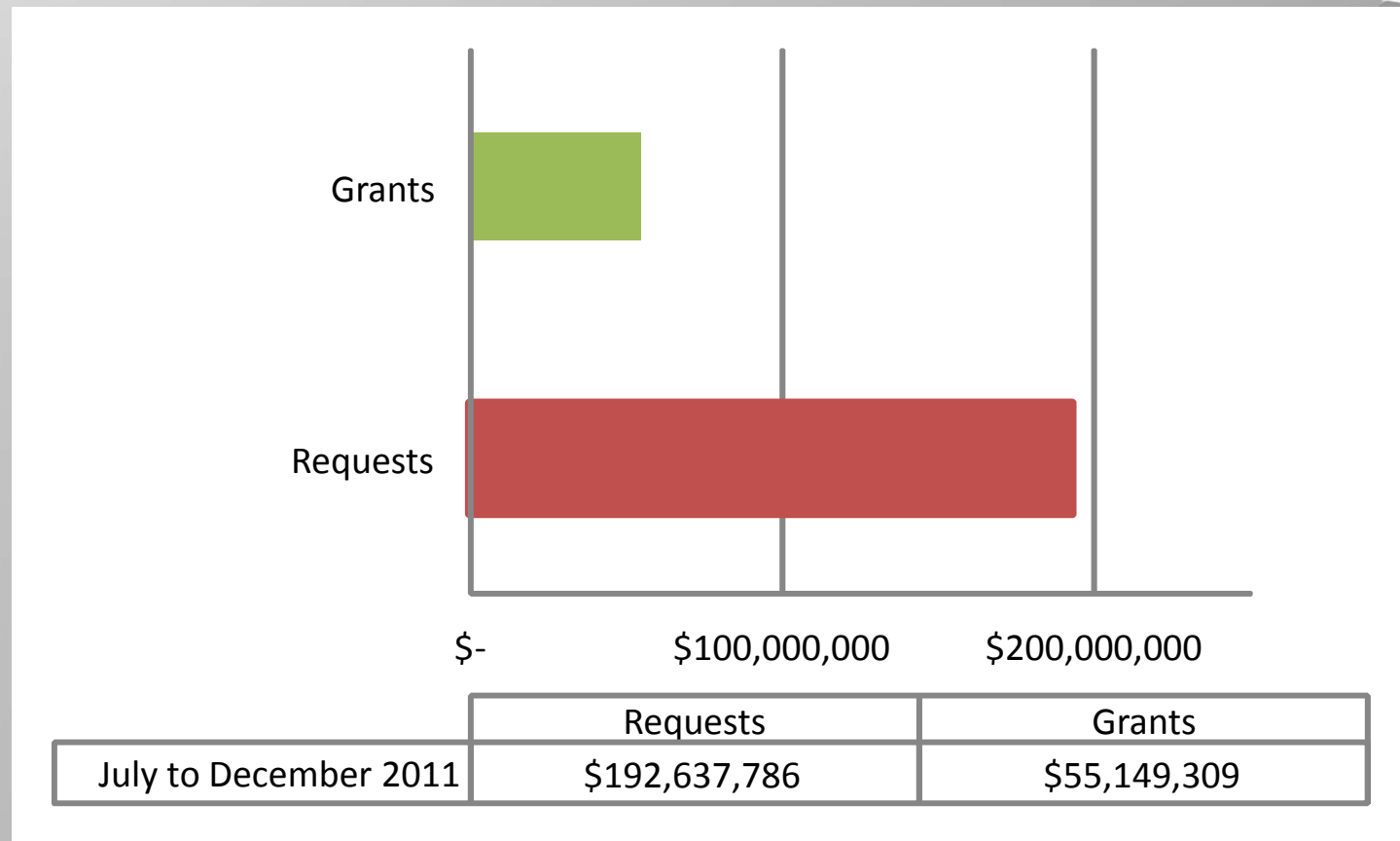


Impact Fund Recap 2000-2011



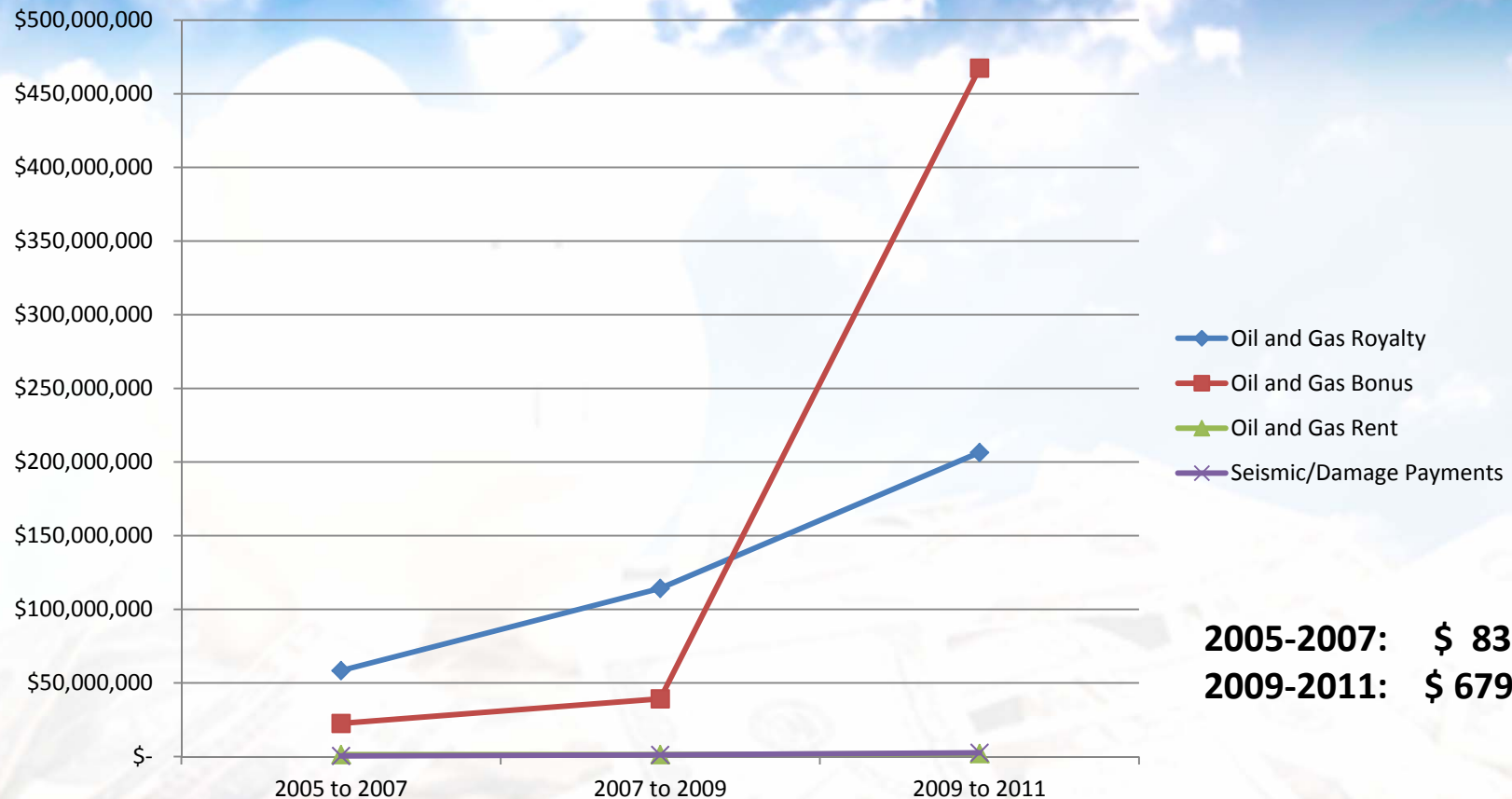
From July 2000 to June 2011, 10% of requests have received funding

Impact Fund: July to December 2011



29% of requests were funded

Oil and Gas Rents And Royalty Income

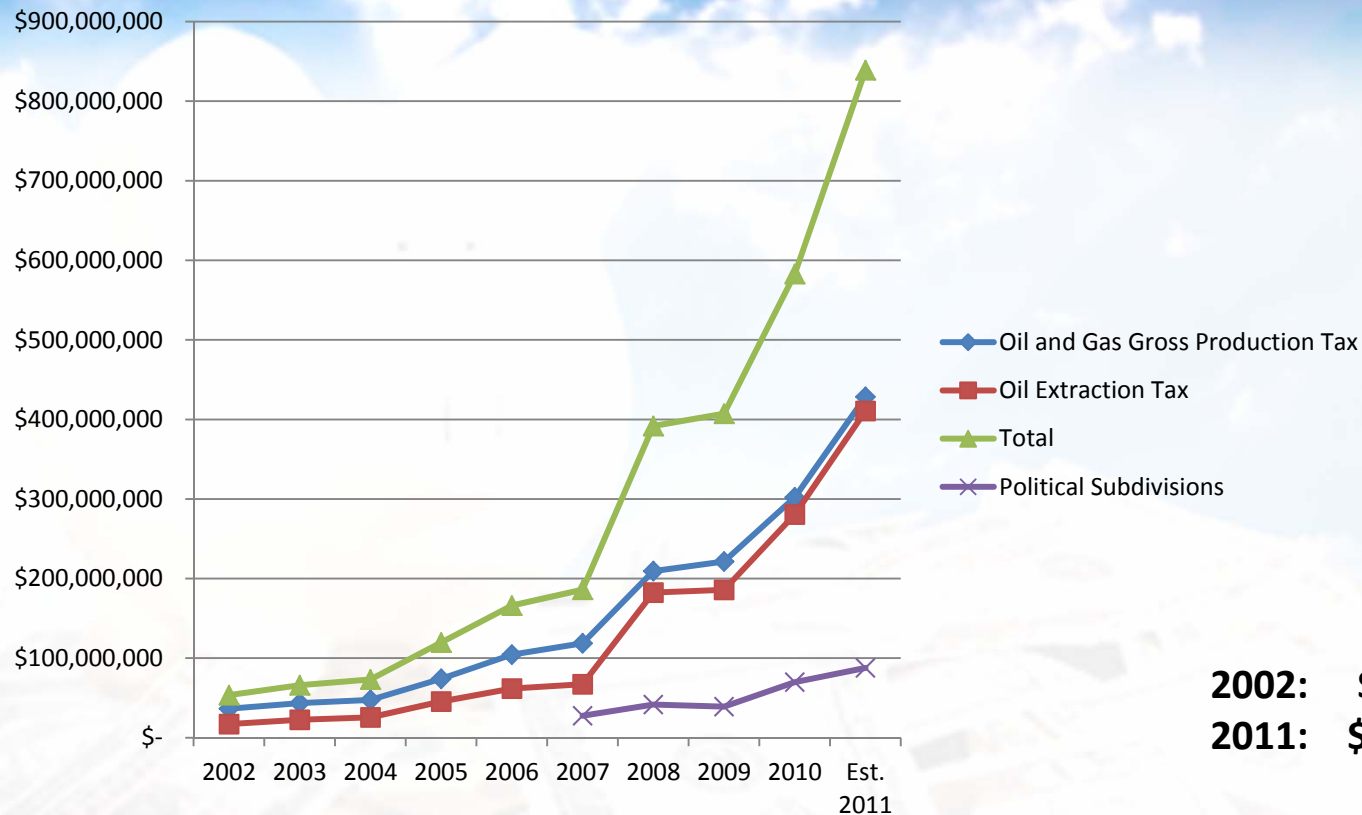


2005-2007: \$ 83 million
2009-2011: \$ 679 million

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

