

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 January 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 November 2017. 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	Biennium-to-Date Average
Actual	1,032,873	1,048,099	1,089,318	1,107,345	1,183,810	1,194,920	1,109,394
Forecast	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	269,920	184,394

Average Oil Price - Price Per Barrel							
	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	Biennium-to-Date Average
Posted prices							
Flint Hills Resources	\$34.72	\$35.83	\$37.93	\$39.56	\$43.54	\$49.75	\$40.22
West Texas Intermediate	\$45.20	\$46.68	\$48.06	\$49.88	\$51.69	\$56.54	\$49.68
Price comparison							
Actual	\$39.96	\$41.26	\$43.00	\$44.72	\$47.62	\$53.15	\$44.95
Forecast	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	(\$2.05)

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 January 2018.

	August 2017	September 2017	October 2017	November 2017	December 2017	January 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	\$447,562,773
Oil extraction tax	55,901,459	57,810,484	65,260,391	66,051,597	77,869,033	81,219,756	404,112,720
Total actual	\$118,067,887	\$123,215,491	\$137,136,342	\$138,077,116	\$163,716,093	\$171,462,564	\$851,675,493
Forecasted							
Gross production tax	\$63,908,250	\$66,038,525	\$66,038,525	\$63,908,250	\$66,038,525	\$63,908,250	\$389,840,325
Oil extraction tax	62,604,000	64,690,800	64,690,800	62,604,000	64,690,800	62,604,000	381,884,400
Total forecasted	\$126,512,250	\$130,729,325	\$130,729,325	\$126,512,250	\$130,729,325	\$126,512,250	\$771,724,725
Variance to forecast							
Gross production tax	(\$1,741,822)	(\$633,518)	\$5,837,426	\$8,117,269	\$19,808,535	\$26,334,558	\$57,722,448
Oil extraction tax	(6,702,541)	(6,880,316)	569,591	3,447,597	13,178,233	18,615,756	22,228,320
Total variance	(\$8,444,363)	(\$7,513,834)	\$6,407,017	\$11,564,866	\$32,986,768	\$44,950,314	\$79,950,768
Percentage variance	(6.7%)	(5.7%)	4.9%	9.1%	25.2%	35.5%	10.4%

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 January 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	Biennium-to-Date Total
Billings	\$538,192	\$665,840	\$527,541	\$840,140	\$645,773	\$632,780	\$3,850,266
Bottineau	243,091	261,488	228,995	341,937	322,482	340,944	1,738,937
Bowman	969,430	1,003,279	1,038,627	1,052,668	1,073,585	1,208,927	6,346,516
Burke	605,619	641,443	697,779	650,990	753,413	684,520	4,033,764
Divide	1,644,110	1,685,269	1,684,251	1,617,317	1,930,199	2,241,808	10,802,954
Dunn	7,472,819	6,965,679	8,633,938	8,311,147	9,759,466	8,413,280	49,556,329
Golden Valley	141,374	153,015	147,536	127,937	140,717	157,244	867,823
McHenry	20,070	20,293	21,537	17,901	20,513	22,082	122,396
McKenzie	20,373,492	23,057,364	24,893,480	24,331,362	30,016,202	31,385,307	154,057,207
McLean	0	0	0	0	0	0	0
Mercer	0	0	0	0	0	0	0
Mountrail	7,611,623	7,587,736	8,186,716	8,282,354	9,737,371	12,062,578	53,468,378
Renville	94,027	97,950	116,083	103,476	110,990	128,065	650,591
Slope	54,492	57,353	60,481	48,893	65,151	68,413	354,783
Stark	769,627	1,018,279	1,039,865	1,088,244	1,238,692	1,339,424	6,494,131
Ward	5,625	4,906	5,182	4,330	7,407	6,411	33,861
Williams	9,405,148	10,326,961	11,348,845	11,906,880	14,237,786	14,045,699	71,271,319
Unallocated	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	83,913,518
Total	\$62,166,428	\$65,405,007	\$71,875,951	\$72,025,519	\$85,847,060	\$90,242,808	\$447,562,773

Oil Extraction Tax Collections							
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	Biennium-to-Date Total
Billings	\$296,334	\$315,928	\$307,861	\$314,503	\$354,418	(\$37,285)	\$1,551,759
Bottineau	(11,024)	101,398	103,531	100,244	145,280	153,041	592,470
Bowman	406,529	415,688	414,337	428,870	422,236	470,868	2,558,528
Burke	456,699	469,852	508,372	456,758	542,926	445,088	2,879,695
Divide	1,257,430	1,108,506	1,098,058	1,048,338	1,396,733	1,723,298	7,632,363
Dunn	7,054,864	6,178,873	7,712,532	7,443,405	8,347,615	6,995,229	43,732,518
Golden Valley	104,913	110,645	111,407	99,277	104,664	98,829	629,735
McHenry	11,659	12,023	12,063	9,154	12,520	13,253	70,672
McKenzie	18,329,791	20,411,394	23,171,567	23,438,967	27,679,971	28,890,887	141,922,577
McLean	0	0	0	0	0	0	0
Mercer	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	49,992,993
Renville	24,015	24,796	28,009	27,288	27,853	20,575	152,536
Slope	(1)	0	0	0	0	0	(1)

Oil Extraction Tax Collections							
	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	Biennium-to-Date Total
Stark	683,303	912,676	946,779	967,217	1,123,072	1,076,944	5,709,991
Ward	3,213	3,578	2,876	2,547	3,710	3,998	19,922
Williams	8,409,184	9,194,930	10,393,251	11,004,635	13,139,666	12,628,282	64,769,948
Unallocated	(30,456)	4,182	10,256	9,497	15,379	21,281	30,139
Fort Berthold Reservation	11,902,938	11,497,858	12,896,514	12,997,068	15,438,602	17,133,895	81,866,875
Total	\$55,901,459	\$57,810,484	\$65,260,391	\$66,051,597	\$77,869,033	\$81,219,756	\$404,112,720

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 January 2018.

	August 2017	September 2017	October 2017	November 2017	December 2017	January 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	\$82,887,319
Legacy fund	31,803,135	33,461,246	37,219,660	37,478,583	44,430,941	46,242,886	230,636,451
North Dakota outdoor heritage fund	799,177	856,750	938,094	939,609	1,120,956	1,163,800	5,818,386
Abandoned well reclamation fund	399,588	428,375	469,047	469,805	560,478	581,900	2,909,193
Oil and gas impact grant fund	3,353,446	6,507,580	7,402,364	7,419,034	3,671,022	0	28,353,446
Political subdivisions	19,621,993	32,741,183	22,146,822	22,356,505	25,311,149	25,645,343	147,822,995
Energy impact fund	0	2,000,000	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	32,225,178
Foundation aid stabilization fund	4,400,446	4,631,262	5,236,388	5,305,453	6,243,043	6,408,586	32,225,178
Resources trust fund ¹	8,800,891	9,262,525	10,472,776	10,610,906	12,486,086	12,817,172	64,450,356
Oil and gas research fund	901,693	616,717	1,000,125	1,002,139	1,320,379	1,466,497	6,307,550
General fund	31,529,635	16,400,586	33,943,874	34,041,124	46,716,039	37,368,742	200,000,000
Tax relief fund	0	0	0	0	0	16,039,441	16,039,441
Budget stabilization fund	0	0	0	0	0	0	0
Lignite research fund	0	0	0	0	0	0	0
Strategic investment and improvements fund	0	0	0	0	0	0	0
State disaster relief fund	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	\$851,675,493
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	Biennium-to-Date Total
Energy conservation grant fund	\$44,004	\$46,313	\$52,364	\$53,055	\$4,264	\$0	\$200,000
Renewable energy development fund	264,027	277,876	314,183	318,327	374,583	384,515	1,933,511
Total transfers	\$308,031	\$324,189	\$366,547	\$371,382	\$378,847	\$384,515	\$2,133,511