

## OIL TAX REVENUE COLLECTIONS AND ALLOCATIONS SUMMARY

This memorandum provides a summary of oil tax revenue collections, oil production and prices, and oil tax revenue allocations. The first page compares the current month to the previous month. The second page compares the biennium to date for the 2013-15 biennium to the same number of months for the 2011-13 biennium. The third page provides a comparison of actual and forecasted collections and allocations. The fourth page provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the current month and for the biennium to date.

### MONTHLY SUMMARY Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the months of March and April 2015.

	March 2015	April 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$64,804,648	\$64,586,877	(\$217,771)	(0.3%)
Oil extraction tax	75,378,921	74,992,166	(386,755)	(0.5%)
Total actual collections	\$140,183,569	\$139,579,043	(\$604,526)	(0.4%)
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$100,564,037	\$90,832,034	(\$9,732,003)	(9.7%)
Oil extraction tax	131,743,676	118,994,288	(12,749,388)	(9.7%)
Total forecasted collections	\$232,307,713	\$209,826,322	(\$22,481,391)	(9.7%)
<b>Increase (decrease) to forecast</b>				
Amount	(\$92,124,144)	(\$70,247,279)		
Percentage	(39.7%)	(33.5%)		

### Oil Production and Prices

The schedule below provides information on actual and originally forecasted average daily production and average daily price of oil per barrel for the months of January and February 2015. Monthly oil tax revenue collections reflect production from two months prior. For example, April 2015 oil tax revenue collections relate to February 2015 oil production. Actual oil prices shown reflect Flint Hills Resources posted price.

	January 2015	February 2015	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,191,198	1,177,094	(14,104)	(1.2%)
Average daily price of oil per barrel	\$31.41	\$34.11	\$2.70	8.6%
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	850,000	850,000	0	0.0%
Average daily price of oil per barrel	\$80.00	\$80.00	\$0.00	0.0%

### Oil Tax Revenue Allocations

The schedule below provides information on the total oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the months of March and April 2015.

	March 2015	April 2015	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$39,248,769	\$38,706,412	(\$542,357)	(1.4%)
Three Affiliated Tribes	9,356,127	10,549,815	1,193,688	12.8%
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	15,532,950	15,442,625	(90,325)	(0.6%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	444,986	436,390	(8,596)	(1.9%)
Foundation aid stabilization fund	6,583,596	6,387,759	(195,837)	(3.0%)
Common schools trust fund	6,583,596	6,387,759	(195,837)	(3.0%)
Resources trust fund	13,167,192	12,775,519	(391,673)	(3.0%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	49,266,353	48,892,764	(373,589)	(0.8%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$140,183,569	\$139,579,043	(\$604,526)	(0.4%)

## BIENNIUM-TO-DATE SUMMARY - COMPARISON

### Oil Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil tax revenue collections for the first 21 months of the 2011-13 and 2013-15 bienniums.

	August 2013 Through April 2015	August 2011 Through April 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual collections</b>				
Oil and gas gross production tax	\$2,536,539,035	\$1,607,689,243	\$928,849,792	57.8%
Oil extraction tax	2,999,352,150	1,779,690,730	1,219,661,420	68.5%
Total actual collections	\$5,535,891,185	\$3,387,379,973	\$2,148,511,212	63.4%
<b>Forecasted collections</b>				
Oil and gas gross production tax	\$1,988,012,193	\$901,739,232	\$1,086,272,961	120.5%
Oil extraction tax	2,604,390,609	864,166,764	1,740,223,845	201.4%
Total forecasted collections	\$4,592,402,802	\$1,765,905,996	\$2,826,496,806	160.1%
<b>Increase (decrease) to forecast</b>				
Amount	\$943,488,383	\$1,621,473,977		
Percentage	20.5%	91.8%		

### Oil Production and Prices

The schedule below provides information on actual and forecasted average daily production and average daily price of oil per barrel for the first 21 months of 2011-13 and 2013-15 bienniums. Monthly oil tax revenue collections reflect production from two months prior. For example, April 2015 oil tax revenue collections relate to February 2015 oil production.

	June 2013 Through February 2015	June 2011 Through February 2013	Increase (Decrease)	
			Amount	Percentage
<b>Actual average daily production and price</b>				
Average daily production of oil in barrels	1,037,659	606,083	431,576	71.2%
Average daily price of oil per barrel	\$75.49	\$82.62	(\$7.13)	(8.6%)
<b>Forecasted average daily production and price</b>				
Average daily production of oil in barrels	846,667	490,788	355,879	72.5%
Average daily price of oil per barrel	\$77.14	\$69.55	\$7.59	10.9%

### Oil Tax Revenue Allocations

The schedule below compares oil tax revenue allocations to state funds, the Three Affiliated Tribes, and political subdivisions for the first 21 months of the 2013-15 biennium to the 2011-13 biennium.

	August 2013 Through April 2015	August 2011 Through April 2013	Increase (Decrease)	
			Amount	Percentage
Legacy fund	\$1,717,659,647	\$1,005,676,514	\$711,983,133	70.8%
Three Affiliated Tribes	409,844,421	156,426,243	253,418,178	162.0%
Oil and gas research fund	10,000,000	4,000,000	6,000,000	150.0%
Oil and gas impact grant fund	240,000,000	100,000,000	140,000,000	140.0%
Political subdivisions	608,828,927	236,745,638	372,083,289	157.2%
Abandoned well reclamation fund	10,000,000	N/A	10,000,000	N/A
North Dakota heritage fund	16,964,576	N/A	16,964,576	N/A
Foundation aid stabilization fund	259,101,392	162,946,602	96,154,790	59.0%
Common schools trust fund	259,101,392	162,946,602	96,154,790	59.0%
Resources trust fund	518,202,788	325,893,205	192,309,583	59.0%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	822,398,042	568,955,169	253,442,873	44.5%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,535,891,185	\$3,387,379,973	\$2,148,511,212	63.4%

## COMPARISON OF ACTUAL TO FORECAST - COLLECTIONS AND ALLOCATIONS

### Monthly Comparison

The schedule below provides a comparison of actual to originally forecasted oil tax revenue collections and allocations for the month of April 2015.

	April 2015		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$64,586,877	\$90,832,034	(\$26,245,157)	(28.9%)
Oil extraction tax	74,992,166	118,994,288	(44,002,122)	(37.0%)
Total actual collections	\$139,579,043	\$209,826,322	(\$70,247,279)	(33.5%)
<b>Allocations</b>				
Legacy fund	\$38,706,412	\$77,512,717	(\$38,806,305)	(50.1%)
Three Affiliated Tribes	10,549,815	11,700,000	(1,150,185)	(9.8%)
Oil and gas research fund	0	0	0	N/A
Oil and gas impact grant fund	0	0	0	N/A
Political subdivisions	15,442,625	21,098,371	(5,655,746)	(26.8%)
Abandoned well reclamation fund	0	0	0	N/A
North Dakota heritage fund	436,390	693,056	(256,666)	(37.0%)
Foundation aid stabilization fund	6,387,759	11,149,429	(4,761,670)	(42.7%)
Common schools trust fund	6,387,759	11,149,429	(4,761,670)	(42.7%)
Resources trust fund	12,775,519	22,298,858	(9,523,339)	(42.7%)
General fund	0	0	0	N/A
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	48,892,764	54,224,462	(5,331,698)	(9.8%)
State disaster fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$139,579,043	\$209,826,322	(\$70,247,279)	(33.5%)

### Biennium-to-Date Comparison

The schedule below provides a comparison of actual to originally forecasted oil tax revenue collections and allocations for the biennium to date for the 2013-15 biennium.

	2013-15 Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
<b>Collections</b>				
Oil and gas gross production tax	\$2,536,539,035	\$1,988,012,193	\$548,526,842	27.6%
Oil extraction tax	2,999,352,150	2,604,390,609	394,961,541	15.2%
Total actual collections	\$5,535,891,185	\$4,592,402,802	\$943,488,383	20.5%
<b>Allocations</b>				
Legacy fund	\$1,717,659,647	\$1,457,957,397	\$259,702,250	17.8%
Three Affiliated Tribes	409,844,421	237,300,000	172,544,421	72.7%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	240,000,000	240,000,000	0	0.0%
Political subdivisions	608,828,927	522,701,807	86,127,120	16.5%
Abandoned well reclamation fund	10,000,000	10,000,000	0	0.0%
North Dakota heritage fund	16,964,576	15,217,693	1,746,883	11.5%
Foundation aid stabilization fund	259,101,392	245,289,065	13,812,327	5.6%
Common schools trust fund	259,101,392	245,289,065	13,812,327	5.6%
Resources trust fund	518,202,788	490,578,121	27,624,667	5.6%
General fund	300,000,000	300,000,000	0	0.0%
Property tax relief fund	341,790,000	341,790,000	0	0.0%
Strategic investment and improvements fund	822,398,042	454,279,654	368,118,388	81.0%
State disaster fund	22,000,000	22,000,000	0	0.0%
Total oil and gas tax revenue allocations	\$5,535,891,185	\$4,592,402,802	\$943,488,383	20.5%

## 2013-15 BIENNIUM DISTRIBUTIONS TO POLITICAL SUBDIVISIONS - OIL AND GAS GROSS PRODUCTION TAX COLLECTIONS

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for the biennium to date. Distributions of the oil and gas gross production tax to political subdivisions reflect production from two months prior. For example, March 2015 distributions of oil and gas gross production tax collections relate to January 2015 oil production. Distributions to political subdivisions pursuant to the new formula in 2013 House Bill No. 1358 became effective with July 2013 oil production and September 2013 distributions. As a result, this memorandum reports the distributions to political subdivisions for the period September 2013 to August 2015 to reflect 24 months of distributions based on the new formula.

	<b>Fiscal Year 2014</b>	<b>September 2014</b>	<b>October 2014</b>	<b>November 2014</b>	<b>December 2014</b>
Counties	\$197,538,275	\$32,339,212	\$20,175,767	\$17,940,453	\$15,272,934
Hub cities <sup>1</sup>	54,724,166	6,912,200	5,103,636	4,773,306	4,366,706
Other cities	66,635,265	10,829,819	6,758,411	6,015,978	5,128,125
Hub city school districts	8,750,000	708,334	708,334	708,332	708,334
Other school districts	21,661,622	2,994,868	1,898,537	1,700,335	1,501,831
Townships	18,982,777	3,191,467	1,985,760	1,765,540	1,494,472
<b>Total</b>	<b>\$368,292,105</b>	<b>\$56,975,900</b>	<b>\$36,630,445</b>	<b>\$32,903,944</b>	<b>\$28,472,402</b>
<sup>1</sup> The distributions to the hub cities are as follows:					
Williston	\$33,209,498	\$4,122,320	\$3,037,182	\$2,838,984	\$2,595,024
Dickinson	16,417,231	2,123,660	1,581,091	1,481,992	1,360,012
Minot	5,097,437	666,220	485,363	452,330	411,670
<b>Total</b>	<b>\$54,724,166</b>	<b>\$6,912,200</b>	<b>\$5,103,636</b>	<b>\$4,773,306</b>	<b>\$4,366,706</b>

	<b>January 2015</b>	<b>February 2015</b>	<b>March 2015</b>	<b>April 2015</b>	<b>Biennium-to- Date Total</b>
Counties	\$13,425,682	\$10,357,158	\$7,579,877	\$7,519,290	\$322,148,648
Hub cities <sup>1</sup>	4,103,125	3,651,854	3,240,735	3,231,617	90,107,345
Other cities	4,501,199	3,471,785	2,537,933	2,521,486	108,400,001
Hub city school districts	708,334	708,332	708,334	708,334	14,416,668
Other school districts	1,283,369	986,115	722,249	724,153	33,473,079
Townships	1,318,752	1,017,906	743,822	737,745	31,238,241
<b>Total</b>	<b>\$25,340,461</b>	<b>\$20,193,150</b>	<b>\$15,532,950</b>	<b>\$15,442,625</b>	<b>\$599,783,982</b>
<sup>1</sup> The distributions to the hub cities are as follows:					
Williston	\$2,436,875	\$2,166,113	\$1,919,441	\$1,913,970	\$54,239,407
Dickinson	1,280,938	1,145,556	1,022,221	1,019,485	27,432,186
Minot	385,312	340,185	299,073	298,162	8,435,752
<b>Total</b>	<b>\$4,103,125</b>	<b>\$3,651,854</b>	<b>\$3,240,735</b>	<b>\$3,231,617</b>	<b>\$90,107,345</b>