

## 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 October 2017. **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 August 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	Biennium-to-Date Average
Actual	1,032,873	1,048,099	1,084,690	1,055,221
Forecast	925,000	925,000	925,000	925,000
Variance to forecast	107,873	123,099	159,690	130,221

Average Oil Price - Price Per Barrel				
	June 2017	July 2017	August 2017	Biennium-to-Date Average
<b>Posted prices</b>				
Flint Hills Resources	\$34.72	\$35.83	\$37.93	\$36.16
West Texas Intermediate	\$45.20	\$46.68	\$48.06	\$46.65
<b>Price comparison</b>				
Actual	\$39.96	\$41.26	\$43.00	\$41.41
Forecast	\$47.00	\$47.00	\$47.00	\$47.00
Variance to forecast	(\$7.04)	(\$5.74)	(\$4.00)	(\$5.59)

### 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 October 2017.

	August 2017	September 2017	October 2017	Biennium-to-Date Total
<b>Actual</b>				
Gross production tax	\$62,166,428	\$65,405,007	\$71,875,951	\$199,447,386
Oil extraction tax	55,901,459	57,810,484	65,260,391	178,972,334
Total actual	<b>\$118,067,887</b>	<b>\$123,215,491</b>	<b>\$137,136,342</b>	<b>\$378,419,720</b>
<b>Forecasted</b>				
Gross production tax	\$63,908,250	\$66,038,525	\$66,038,525	\$195,985,300
Oil extraction tax	62,604,000	64,690,800	64,690,800	191,985,600
Total forecasted	<b>\$126,512,250</b>	<b>\$130,729,325</b>	<b>\$130,729,325</b>	<b>\$387,970,900</b>
<b>Variance to forecast</b>				
Gross production tax	(\$1,741,822)	(\$633,518)	\$5,837,426	\$3,462,086
Oil extraction tax	(6,702,541)	(6,880,316)	569,591	(13,013,266)
Total variance	<b>(\$8,444,363)</b>	<b>(\$7,513,834)</b>	<b>\$6,407,017</b>	<b>(\$9,551,180)</b>
Percentage variance	(6.7%)	(5.7%)	4.9%	(2.5%)

### 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 October 2017. 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	Biennium-to-Date Total
Billings	\$538,192	\$665,840	\$527,541	\$1,731,573
Bottineau	243,091	261,488	228,995	733,574
Bowman	969,430	1,003,279	1,038,627	3,011,336
Burke	605,619	641,443	697,779	1,944,841
Divide	1,644,110	1,685,269	1,684,251	5,013,630
Dunn	7,472,819	6,965,679	8,633,938	23,072,436
Golden Valley	141,374	153,015	147,536	441,925
McHenry	20,070	20,293	21,537	61,900
McKenzie	20,373,492	23,057,364	24,893,480	68,324,336
McLean	0	0	0	0
Mercer	0	0	0	0
Mountrail	7,611,623	7,587,736	8,186,716	23,386,075
Renville	94,027	97,950	116,083	308,060
Slope	54,492	57,353	60,481	172,326
Stark	769,627	1,018,279	1,039,865	2,827,771
Ward	5,625	4,906	5,182	15,713
Williams	9,405,148	10,326,961	11,348,845	31,080,954
Fort Berthold Reservation	0	0	0	0
Unallocated	12,217,689	11,858,152	13,245,095	37,320,936
<b>Total</b>	<b>\$62,166,428</b>	<b>\$65,405,007</b>	<b>\$71,875,951</b>	<b>\$199,447,386</b>

Oil Extraction Tax Collections				
	August 2017	September 2017	October 2017	Biennium-to-Date Total
Billings	\$296,334	\$315,928	\$307,861	\$920,123
Bottineau	(11,024)	101,398	103,531	193,905
Bowman	406,529	415,688	414,337	1,236,554
Burke	456,699	469,852	508,372	1,434,923
Divide	1,257,430	1,108,506	1,098,058	3,463,994
Dunn	7,054,864	6,178,873	7,712,532	20,946,269
Golden Valley	104,913	110,645	111,407	326,965
McHenry	11,659	12,023	12,063	35,745
McKenzie	18,329,791	20,411,394	23,171,567	61,912,752
McLean	0	0	0	0
Mercer	0	0	0	0
Mountrail	7,002,068	7,048,157	7,542,978	21,593,203
Renville	24,015	24,796	28,009	76,820
Slope	(1)	0	0	(1)
Stark	683,303	912,676	946,779	2,542,758
Ward	3,213	3,578	2,876	9,667

<b>Oil Extraction Tax Collections</b>				
	<b>August 2017</b>	<b>September 2017</b>	<b>October 2017</b>	<b>Biennium-to-Date Total</b>
Williams	8,409,184	9,194,930	10,393,251	27,997,365
Fort Berthold Reservation	(30,456)	4,182	10,256	(16,018)
Unallocated	11,902,938	11,497,858	12,896,514	36,297,310
<b>Total</b>	<b>\$55,901,459</b>	<b>\$57,810,484</b>	<b>\$65,260,391</b>	<b>\$178,972,334</b>

### 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 October 2017.

	<b>August 2017</b>	<b>September 2017</b>	<b>October 2017</b>	<b>Biennium-to-Date Total</b>
Three Affiliated Tribes	\$12,057,437	\$11,678,005	\$13,070,804	\$36,806,246
Legacy fund	31,803,135	33,461,246	37,219,660	102,484,041
North Dakota outdoor heritage fund	799,177	856,750	938,094	2,594,021
Abandoned well reclamation fund	399,588	428,375	469,047	1,297,010
Oil and gas impact grant fund	3,353,446	6,507,580	7,402,364	17,263,390
Political subdivisions	19,621,993	32,241,561	22,146,822	74,010,376
Energy impact fund	0	2,000,000	0	2,000,000
Common schools trust fund	4,400,446	4,631,262	5,236,388	14,268,096
Foundation aid stabilization fund	4,400,446	4,631,262	5,236,388	14,268,096
Resources trust fund <sup>1</sup>	8,800,891	9,262,525	10,472,776	28,536,192
Oil and gas research fund	901,693	616,717	1,000,125	2,518,535
General fund	31,529,635	16,900,208	33,943,874	82,373,717
Tax relief fund	0	0	0	0
Budget stabilization fund	0	0	0	0
Lignite research fund	0	0	0	0
Strategic investment and improvements fund	0	0	0	0
State disaster relief fund	0	0	0	0
<b>Total oil tax allocations</b>	<b>\$118,067,887</b>	<b>\$123,215,491</b>	<b>\$137,136,342</b>	<b>\$378,419,720</b>
<sup>1</sup> The amounts shown for the resources trust fund include transfers to the following:				
	<b>August 2017</b>	<b>September 2017</b>	<b>October 2017</b>	<b>Biennium-to-Date Total</b>
Energy conservation grant fund	\$44,004	\$46,313	\$52,364	\$142,681
Renewable energy development fund	264,027	277,876	314,183	856,086
<b>Total transfers</b>	<b>\$308,031</b>	<b>\$324,189</b>	<b>\$366,547</b>	<b>\$998,767</b>