

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 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 August 2018. 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					
	Fiscal Year 2018	June 2018	July 2018	August 2018	Biennium-to-Date Average
Actual	1,152,501	1,227,320	1,187,729	1,269,366	1,167,629
Forecast	925,000	950,000	950,000	950,000	930,000
Variance to forecast	227,501	277,320	237,729	319,366	237,629

Average Oil Price - Price Per Barrel					
	Fiscal Year 2018	June 2018	July 2018	August 2018	Biennium-to-Date Average
Posted prices					
Flint Hills Resources	\$46.73	\$55.23	\$63.13	\$57.80	\$49.13
West Texas Intermediate	\$56.73	\$67.32	\$70.74	\$67.85	\$59.11
Price comparison					
Actual	\$51.73	\$61.28	\$66.94	\$62.83	\$54.12
Forecast	47.00	47.00	47.00	47.00	47.00
Variance to forecast	\$4.73	\$14.28	\$19.94	\$15.83	\$7.12

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 2018.

	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Actual					
Gross production tax	\$1,072,785,515	\$111,945,237	\$128,071,671	\$121,426,440	\$1,434,228,863
Oil extraction tax	981,645,818	102,860,842	119,084,328	110,004,902	1,313,595,890
Total actual	\$2,054,431,333	\$214,806,079	\$247,155,999	\$231,431,342	\$2,747,824,753
Forecasted					
Gross production tax	\$777,550,375	\$65,635,500	\$67,823,350	\$67,823,350	\$978,832,575
Oil extraction tax	761,682,000	64,296,000	66,439,200	66,439,200	958,856,400
Total forecasted	\$1,539,232,375	\$129,931,500	\$134,262,550	\$134,262,550	\$1,937,688,975
Variance to forecast					
Gross production tax	\$295,235,140	\$46,309,737	\$60,248,321	\$53,603,090	\$455,396,288
Oil extraction tax	219,963,818	38,564,842	52,645,128	43,565,702	354,739,490
Total variance	\$515,198,958	\$84,874,579	\$112,893,449	\$97,168,792	\$810,135,778
Percentage variance	33.5%	65.3%	84.1%	72.4%	41.8%

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 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					
	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Billings	\$8,829,547	\$850,932	\$939,500	\$698,836	\$11,318,815
Bottineau	3,882,833	372,386	309,641	457,399	5,022,259
Bowman	14,480,187	1,364,970	1,445,822	1,389,032	18,680,011
Burke	9,112,671	896,926	879,401	727,852	11,616,850
Divide	23,216,753	2,091,176	2,126,398	1,222,779	28,657,106
Dunn	117,887,063	14,736,001	16,261,994	14,715,969	163,601,027
Golden Valley	2,018,398	168,732	216,419	202,184	2,605,733
McHenry	241,847	17,003	20,370	19,094	298,314
McKenzie	370,032,599	35,458,488	42,906,801	40,929,061	489,326,949
McLean	0	0	0	0	0
Mercer	280	0	0	0	280
Mountrail	132,354,461	13,518,031	15,887,792	14,940,295	176,700,579
Renville	1,417,137	134,485	147,618	145,871	1,845,111
Slope	810,239	79,981	87,418	77,425	1,055,063
Stark	13,593,808	1,021,613	1,136,279	944,904	16,696,604
Ward	71,516	4,577	3,519	7,894	87,506
Williams	175,021,541	19,837,573	21,554,391	20,125,524	236,539,029
Fort Berthold Reservation	0	0	0	0	0
Unallocated	199,814,635	21,392,363	24,148,308	24,822,321	270,177,627
Total	\$1,072,785,515	\$111,945,237	\$128,071,671	\$121,426,440	\$1,434,228,863

Oil Extraction Tax Collections					
	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Billings	\$4,384,517	\$497,638	\$544,600	\$360,402	\$5,787,157
Bottineau	1,531,587	148,327	93,873	183,204	1,956,991
Bowman	5,857,550	549,064	576,804	552,808	7,536,226
Burke	6,319,001	570,531	565,500	407,665	7,862,697
Divide	16,475,500	1,391,591	1,451,954	640,607	19,959,652
Dunn	104,375,252	13,268,614	14,676,980	13,003,518	145,324,364
Golden Valley	1,477,107	121,039	160,914	145,022	1,904,082
McHenry	143,329	10,368	17,991	17,414	189,102
McKenzie	347,488,349	33,327,796	40,997,661	37,329,857	459,143,663
McLean	0	0	0	0	0
Mercer	0	0	0	0	0
Mountrail	124,144,809	12,725,921	15,032,572	14,053,212	165,956,514
Renville	340,432	41,187	37,227	37,346	456,192
Slope	0	0	0	0	0
Stark	11,995,405	872,811	973,631	781,269	14,623,116
Ward	40,552	1,895	0	3,951	46,398

Oil Extraction Tax Collections					
	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Williams	161,707,079	18,420,939	20,278,861	18,378,468	218,785,347
Fort Berthold Reservation	242,120	23,413	32,087	6,107	303,727
Unallocated	195,123,229	20,889,708	23,643,673	24,104,052	263,760,662
Total	\$981,645,818	\$102,860,842	\$119,084,328	\$110,004,902	\$1,313,595,890

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 2018.

	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Three Affiliated Tribes	\$197,466,055	\$21,141,034	\$23,895,990	\$24,463,187	\$266,966,266
Legacy fund	557,089,584	58,099,513	66,978,003	62,090,447	744,257,547
North Dakota outdoor heritage fund	10,799,177	0	0	0	10,799,177
Abandoned well reclamation fund	4,399,588	0	831,387	772,833	6,003,808
Oil and gas impact grant fund	28,353,446	0	0	0	28,353,446
Political subdivisions	312,091,616	28,373,433	47,491,637	33,028,017	420,984,703
Energy impact fund	2,000,000	0	2,000,000	0	4,000,000
Common schools trust fund	78,652,853	8,197,114	9,544,065	8,590,085	104,984,117
Foundation aid stabilization fund	78,652,853	8,197,114	9,544,065	8,590,085	104,984,117
Resources trust fund ¹	157,305,705	16,394,227	19,088,131	17,180,170	209,968,233
Oil and gas research fund	10,000,000	0	0	0	10,000,000
General fund	342,620,456	57,379,544	0	0	400,000,000
Tax relief fund	200,000,000	0	0	0	200,000,000
Budget stabilization fund	75,000,000	0	0	0	75,000,000
Lignite research fund	0	3,000,000	0	0	3,000,000
Strategic investment and improvements fund	0	14,024,100	67,782,721	76,716,518	158,523,339
State disaster relief fund	0	0	0	0	0
Total oil tax allocations	\$2,054,431,333	\$214,806,079	\$247,155,999	\$231,431,342	\$2,747,824,753

¹The amounts shown for the resources trust fund include transfers to the following:

	Fiscal Year 2018	August 2018	September 2018	October 2018	Biennium-to-Date Total
Energy conservation grant fund	\$200,000	\$0	\$0	\$0	\$200,000
Renewable energy development fund	3,000,000	0	0	0	3,000,000
Total transfers	\$3,200,000	\$0	\$0	\$0	\$3,200,000