



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 2020. **The forecasted amounts reflect the 2019 legislative revenue forecast**, prepared at the close of the 2019 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 2020. 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 2020 | June 2020 | July 2020 | August 2020 | Biennium-to-Date Average |
| Actual | 1,391,837 | 893,591 | 1,042,081 | 1,164,432 | 1,320,144 |
| Forecast | 1,400,000 | 1,440,000 | 1,440,000 | 1,440,000 | 1,408,000 |
| Variance to forecast | (8,163) | (546,409) | (397,919) | (275,568) | (87,856) |

| Average Oil Price - Price Per Barrel | | | | | |
|--------------------------------------|------------------|-----------|-----------|-------------|--------------------------|
| | Fiscal Year 2020 | June 2020 | July 2020 | August 2020 | Biennium-to-Date Average |
| Posted prices | | | | | |
| Flint Hills Resources | \$36.61 | \$32.35 | \$31.69 | \$32.91 | \$35.75 |
| West Texas Intermediate | \$48.23 | \$38.31 | \$40.77 | \$42.39 | \$46.68 |
| Price comparison | | | | | |
| Actual | \$42.42 | \$35.33 | \$36.23 | \$37.65 | \$41.22 |
| Forecast | 48.50 | 48.00 | 48.00 | 48.00 | 48.40 |
| Variance to forecast | (\$6.08) | (\$12.67) | (\$11.77) | (\$10.35) | (\$7.18) |

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 2020.

| | Fiscal Year 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
|-----------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|
| Actual | | | | | |
| Gross production tax | \$1,079,912,250 | \$43,800,991 | \$53,889,364 | \$62,224,655 | \$1,239,827,260 |
| Oil extraction tax | 956,351,054 | 35,615,522 | 45,185,240 | 54,305,828 | 1,091,457,644 |
| Total actual | \$2,036,263,304 | \$79,416,513 | \$99,074,604 | \$116,530,483 | \$2,331,284,904 |
| Forecasted | | | | | |
| Gross production tax | \$1,214,391,500 | \$101,606,400 | \$104,993,280 | \$104,993,280 | \$1,525,984,460 |
| Oil extraction tax | 1,189,608,000 | 99,532,800 | 102,850,560 | 102,850,560 | 1,494,841,920 |
| Total forecasted | \$2,403,999,500 | \$201,139,200 | \$207,843,840 | \$207,843,840 | \$3,020,826,380 |
| Variance to forecast | | | | | |
| Gross production tax | (\$134,479,250) | (\$57,805,409) | (\$51,103,916) | (\$42,768,625) | (\$286,157,200) |
| Oil extraction tax | (233,256,946) | (63,917,278) | (57,665,320) | (48,544,732) | (403,384,276) |
| Total variance | (\$367,736,196) | (\$121,722,687) | (\$108,769,236) | (\$91,313,357) | (\$689,541,476) |
| Percentage variance | (15.3%) | (60.5%) | (52.3%) | (43.9%) | (22.8%) |

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 2020. 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 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
| Billings | \$7,698,624 | \$323,534 | \$430,623 | \$445,692 | \$8,898,473 |
| Bottineau | 2,779,795 | 150,633 | 122,627 | 205,025 | 3,258,080 |
| Bowman | 9,600,983 | 526,367 | 557,496 | 599,891 | 11,284,737 |
| Burke | 8,562,936 | 370,297 | 555,687 | 503,766 | 9,992,686 |
| Divide | 13,988,596 | 363,188 | 702,219 | 978,242 | 16,032,245 |
| Dunn | 137,289,535 | 3,437,052 | 5,145,789 | 7,116,157 | 152,988,533 |
| Golden Valley | 1,105,075 | 62,345 | 73,830 | 69,746 | 1,310,996 |
| McHenry | 121,331 | 1,642 | 876 | 10,995 | 134,844 |
| McKenzie | 352,466,737 | 13,115,039 | 16,556,567 | 20,727,072 | 402,865,415 |
| McLean | 0 | 0 | 0 | 0 | 0 |
| Mercer | 0 | 0 | 0 | 0 | 0 |
| Mountrail | 116,279,292 | 6,418,741 | 7,750,421 | 8,356,052 | 138,804,506 |
| Renville | 1,017,491 | 49,146 | 44,491 | 73,212 | 1,184,340 |
| Slope | 513,114 | 33,274 | 35,999 | 34,669 | 617,056 |
| Stark | 5,991,521 | 258,973 | 365,795 | 392,186 | 7,008,475 |
| Ward | 34,611 | 1,843 | 2,247 | 1,512 | 40,213 |
| Williams | 195,239,062 | 8,350,235 | 9,588,401 | 10,101,081 | 223,278,779 |
| Fort Berthold Reservation | 227,223,547 | 10,338,682 | 11,956,296 | 12,609,357 | 262,127,882 |
| Total | \$1,079,912,250 | \$43,800,991 | \$53,889,364 | \$62,224,655 | \$1,239,827,260 |

| Oil Extraction Tax Collections | | | | | |
|---------------------------------------|-------------------------|---------------------|-----------------------|---------------------|-------------------------------|
| | Fiscal Year 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
| Billings | \$4,562,873 | \$193,999 | \$155,354 | \$235,491 | \$5,147,717 |
| Bottineau | 856,434 | 63,192 | 59,084 | 78,720 | 1,057,430 |
| Bowman | 2,269,341 | 133,365 | 147,773 | 155,978 | 2,706,457 |
| Burke | 4,968,204 | 209,850 | 295,719 | 296,109 | 5,769,882 |
| Divide | 7,858,226 | 230,211 | 360,727 | 507,386 | 8,956,550 |
| Dunn | 123,959,881 | 2,572,698 | 4,248,323 | 6,312,362 | 137,093,264 |
| Golden Valley | 685,304 | 46,016 | 50,917 | 41,072 | 823,309 |
| McHenry | 104,566 | 1,244 | 0 | 10,426 | 116,236 |
| McKenzie | 315,753,135 | 10,901,898 | 14,245,156 | 18,686,894 | 359,587,083 |
| McLean | 0 | 0 | 0 | 0 | 0 |
| Mercer | 0 | 0 | 0 | 0 | 0 |
| Mountrail | 100,289,625 | 4,583,644 | 6,197,193 | 7,007,217 | 118,077,679 |
| Renville | 281,118 | 16,814 | 15,619 | 22,525 | 336,076 |
| Slope | 0 | 0 | 0 | 0 | 0 |
| Stark | 3,464,187 | 134,814 | 101,502 | 208,128 | 3,908,631 |
| Ward | 12,190 | (13,880) | 0 | 0 | (1,690) |
| Williams | 174,272,878 | 6,814,435 | 8,170,074 | 8,613,992 | 197,871,379 |
| Unallocated | 54,893 | 3,439 | 6,994 | 4,606 | 69,932 |
| Fort Berthold Reservation | 216,958,199 | 9,723,783 | 11,130,805 | 12,124,922 | 249,937,709 |
| Total | \$956,351,054 | \$35,615,522 | \$45,185,240 | \$54,305,828 | \$1,091,457,644 |

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 2020.

| | Fiscal Year 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
|------------------------------------|-------------------------|--------------------|-----------------------|---------------------|-------------------------------|
| Three Affiliated Tribes | \$221,143,033 | \$10,454,469 | \$11,962,387 | \$13,074,475 | \$256,634,364 |
| Legacy fund | 544,536,079 | 20,688,613 | 26,133,665 | 31,036,803 | 622,395,160 |
| North Dakota outdoor heritage fund | 7,500,000 | 0 | 670,929 | 793,845 | 8,964,774 |
| Abandoned well reclamation fund | 6,127,912 | 267,698 | 335,465 | 396,922 | 7,127,997 |
| Political subdivisions | 296,997,610 | 11,745,144 | 29,325,804 | 17,466,647 | 355,535,205 |
| Common schools trust fund | 84,835,809 | 3,054,429 | 3,942,323 | 4,788,986 | 96,621,547 |
| Foundation aid stabilization fund | 84,835,809 | 3,054,429 | 3,942,323 | 4,788,986 | 96,621,547 |
| Resources trust fund ¹ | 173,913,403 | 6,261,579 | 8,081,761 | 9,817,421 | 198,074,164 |
| Oil and gas research fund | 12,327,472 | 477,803 | 293,599 | 687,328 | 13,786,202 |
| State energy research center fund | 5,000,000 | 0 | 0 | 0 | 5,000,000 |
| General fund | 350,614,919 | 23,412,349 | 14,386,348 | 11,586,384 | 400,000,000 |
| Tax relief fund | 200,000,000 | 0 | 0 | 0 | 200,000,000 |
| Budget stabilization fund | 48,431,258 | 0 | 0 | 0 | 48,431,258 |
| Lignite research fund | 0 | 0 | 0 | 10,000,000 | 10,000,000 |
| State disaster relief fund | 0 | 0 | 0 | 0 | 0 |

| | Fiscal Year 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
|---|-------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Municipal infrastructure fund | 0 | 0 | 0 | 12,092,686 | 12,092,686 |
| Strategic investment and improvements fund | 0 | 0 | 0 | 0 | 0 |
| County and township infrastructure fund | 0 | 0 | 0 | 0 | 0 |
| Airport infrastructure fund | 0 | 0 | 0 | 0 | 0 |
| Total oil tax allocations | \$2,036,263,304 | \$79,416,513 | \$99,074,604 | \$116,530,483 | \$2,331,284,904 |
| ¹ The amounts shown for the resources trust fund include transfers to the following: | | | | | |
| | Fiscal Year 2020 | August 2020 | September 2020 | October 2020 | Biennium-to-Date Total |
| Energy conservation grant fund | \$869,568 | \$31,308 | \$40,409 | \$49,087 | \$990,372 |
| Renewable energy development fund | 3,000,000 | 0 | 0 | 0 | 3,000,000 |
| Total transfers | \$3,869,568 | \$31,308 | \$40,409 | \$49,087 | \$3,990,372 |