

2009 SENATE FINANCE AND TAXATION

SB 2037

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2037

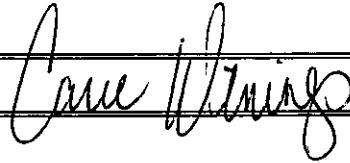
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 01/14/2009

Recorder Job Number: 6976

Committee Clerk Signature



Minutes:

Chairman Cook: Opened hearing on SB 2037.

Timothy Dawson, Legislative Council: Neutral Testimony to give a general overview of the changes in the bill draft. Meat of the bill is on page 1, line 11. The words "and oil" were added, and the rest of the bill relates to how you get the refunds/certificates of exemptions back to the people.

Senator Rich Wardner, District 37: Testifying in support of the bill. Explains that this bill probably would not have to be run through, but after we put it through we realized there were some things that needed changed. I also understand that it makes it clearer.

Myles Vosberg, Director of Tax Administration, Office of the State Tax Commissioner:

See attachment #1 for testimony in support of this bill.

Chairman Cook: Questions? Further testimony in support? (no) opposed? (no) neutral? (no)

Vice Chairman Miller moved Do Pass.

Senator Oehlke seconded.

A Roll Call vote was taken. **Yea: 7, Nay: 0, Absent: 0**

Senator Oehlke will carry the bill.

FISCAL NOTE
Requested by Legislative Council
12/08/2008

Bill/Resolution No.: SB 2037

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

There is no fiscal impact to SB 2037. The bill puts into statute clarifying language that is consistent with the Office of Tax Commissioner's administration of the sales tax exemption for gas gathering systems from oil and gas wells (enacted in HB 1462, 2007 Session).

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	12/23/2008

Date: 01/14/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 2037

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Senator Miller Seconded By Senator Oehlke

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	✓		Sen. Arden Anderson	✓	
Sen. Joe Miller - Vice Chairman	✓		Sen. Jim Dotzenrod	✓	
Sen. David Hogue	✓		Sen. Constance Triplett	✓	
Sen. Dave Oehlke	✓				

Total: Yes 7 No 0

Absent 0

Floor Assignment Senator Oehlke

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2037: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2037 was placed on the Eleventh order on the calendar.

2009 HOUSE FINANCE AND TAXATION

SB 2037

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2037**

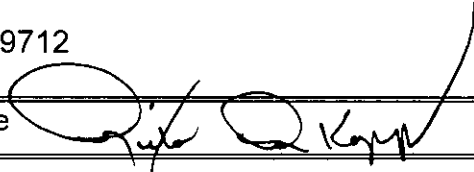
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: February 25, 2009

Recorder Job Number: 9712

Committee Clerk Signature



Minutes:

Chairman Belter: We will open the hearing on SB 2037.

Tim Dawson, Legislative Council: SB 2037 provides a clarification that includes within the sales and use tax exemption the construction or expansion of a system used to compress, process, gather or refine gas from an oil well rather than only a gas well. It was arguable that the term gas well does not include an oil well that produces under 50% gas. As you can see on the bill on page 1, line 11, it used to just say gas well. So an oil well that produced less than 50% gas was arguably an oil well and not a gas well. I think that has been clarified with the Tax Department that it does include an oil well that produces gas, but this merely puts that into statute. The second part of the bill provides for administrative provisions on how to get the exemption back to the owner. There are two ways. You can get a refund or you can do it ahead of time with a certificate of exemption. That concludes my description of SB 2037.

Shane Goettle, ND Department of Commerce: (Testimony 1)

Representative Skarphol: (Attachment 2) Representative Belter has an amendment that I ask the committee to consider putting on this bill which would include sales tax exemptions for oil gathering costs as well, not simply natural gas gathering systems, but oil as well. If is appropriate for natural gas to have that exemption, I would assume it would be equally

appropriate for the oil aspect of it to have that exemption. With that, I would answer any questions.

Chairman Belter: Are there any questions of Representative Skarphol on these amendments?

Representative Skarphol: I believe there will be others testifying in support of this amendment as well who have more specifics than I.

Chairman Belter: Are there a lot more gas lines that go in than oil lines?

Representative Skarphol: I would assume that the numbers of lines would be somewhat similar. However, in the case of natural gas, I would submit to you the size of some of that may be much larger and may have greater value than the oil gathering systems; but again, I would defer to representatives from the oil industry who are more up to speed on this than I am.

Myles Vosberg, Director of Tax Administration for the Office of the State Tax

Commissioner: (Testimony 3) (06:14)

Representative Headland: Have you seen the amendment? I assume you will be able to provide us with a fiscal note on the cost of adding the exemption. I am assuming we will be asked to do that by legislative council.

Representative Winrich: Does the Tax Commissioner support the amendment?

Myles Vosberg: That is a policy issue. I am assuming that we would be neutral on that position other than preparing the fiscal note. We did have issues with the gas and we wanted clarification so we support this so it is clear and more consistent with other exemptions that we do have.

Representative Weiler: It appears to me that there was just an exemption for a gas well and this is adding an oil well. Is that the gist of it?

Myles Vosberg: That is the major component of this. There was discussion after the session was over as to the language, which read “gas” and whether that applied to gas and oil wells because gas is produced with the oil wells as well.

Representative Weiler: I guess what I am getting at is that you had made the comment that there was no fiscal effect, is that how you are currently operating now—that it is for both?

Myles Vosberg: That is our current interpretation.

Representative Weiler: So that is why there is no fiscal note. You are just attempting to put into law what we are currently doing.

Myles Vosberg: Correct.

Robert Harms, Northern Alliance of Independent Producers: We are also in support of SB 2037. We were caught a little bit flat footed on the hearing this morning in respect to the amendments given in crossover. I just want to review for you a couple of things before I get into the amendments themselves. **(Testimony 4)** (08:35-13:02)

Chairman Belter: What percentages of oil wells are hooked to pipelines? Do you have any idea?

Robert Harms: Mr. Chairman, I don't. I can't answer that question.

Chairman Belter: Further testimony in support of 2037? Any opposition to 2037? Any neutral testimony on 2037? If not, we will close the hearing on 2037.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2037**

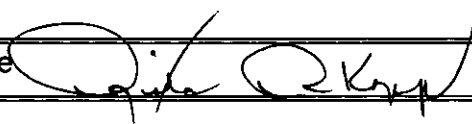
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 4, 2009

Recorder Job Number: 10194

Committee Clerk Signature



Minutes:

Chairman Belter: Let's look at SB 2037; that's the one that clarifies the sales tax exemption for pipelines. The department now exempts pipelines that go to gas wells as well as to oil wells or gas lines that go to oil wells, but that is not what the language says. They wanted that clarified so that the code would read what they are doing.

Vice Chairman Drovdal: The bill as it came in; currently they only allow lines going to gas wells, wells that are considered mainly gas wells. They want to have the gas lines going both to oil wells and the gas wells because oil wells produce some gas, but gas wells produce mostly all gas. They were saying oil wells don't qualify so they want to clarify so they do qualify for running the same gas line (inaudible).

Chairman Belter: It does not go to all oil wells; it only goes to wells that are producing gas.

Vice Chairman Drovdal: If we pass this, it will include all wells.

Chairman Belter: But that is the way they are taking it now.

Vice Chairman Drovdal: Just to gas wells now.

Chairman Belter: No, they are giving it to both but the code doesn't say that. They want a clarification; that is the way I understand it.

Representative Weiler: Mr. Chairman, you are exactly right. The way I understood it is what they want to do with this bill is to put into law what they are currently doing.

Representative Froseth: Skarpohl's amendment would include oil gathering lines also.

Chairman Belter: Yes and I don't particularly want to muddy the waters. What are your wishes on SB 2037? I have a motion **for a "do pass" on SB 2037** from Representative Drovdal and a second from Representative Froseth. Any discussion? **A roll call vote resulted in 12 ayes, 0 nays, 1 absent/not voting (Kelsh). Representative Froseth will carry the bill.**

Date: March 4, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2037

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Drovdal Seconded By Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich	/	
Vice Chairman David Drovdal	/		Representative Kesh		
Representative Brandenburg	/		Representative Pinkerton	/	
Representative Froseth	/		Representative Schmidt	/	
Representative Grande	/		Representative Winrich	/	
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Representative Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2037: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2037 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2037

#1

TESTIMONY OF THE OFFICE OF STATE TAX COMMISSIONER
BEFORE THE
SENATE FINANCE AND TAXATION COMMITTEE

SENATE BILL 2037

January 14, 2009

Chairman Cook, members of the Senate Finance and Taxation Committee, I am Myles Vosberg, Director of Tax Administration for the Office of State Tax Commissioner and I am here today on behalf of the Tax Commissioner to testify in support of Senate Bill 2037.

Senate Bill 2037 relates to a sales tax exemption on purchases of tangible personal property used to gather, compress and refine gas produced in North Dakota. The Tax Commissioner introduced this bill to codify our current administrative processes and to update the exemption language so it is more consistent with other sales tax exemptions offered to incent economic activity and spur economic growth. We have worked with the bill sponsors that originally created this exemption during the 2007 legislative session and with representatives of the oil and gas industry to assure the original intent of the 2007 legislation is preserved. Senate Bill 2037 has no fiscal impact.

EXPLANATION OF THE BILL

The amendment in section 1 clarifies the following concepts:

- The exemption is for systems used to gather, compress, and process gas produced from both oil and gas wells.
- The exemption applies to tangible personal property used to build new systems or expand existing systems. It does not apply to repair or replacement parts nor to consumable goods used to operate these systems.
- System owners must apply to the Tax Commissioner's Office for an exemption certificate. If the owner does not apply for an exemption before purchasing goods, it may pay the tax and apply for a refund.

In summary, Senate Bill 2037 clarifies the sales tax exemption available to owners of gas gathering, compressing and processing systems while maintaining the original intent of the exemption. The Tax Commissioner asks for favorable consideration. I will be happy to respond to questions you may have.

← TESTIMONY →

**DEPARTMENT OF COMMERCE TESTIMONY ON SENATE BILLS 2031, 2032, 2033, 2035, & 2037
FEBRUARY 25, 2009, 9:00 A.M.
HOUSE FINANCE AND TAXATION COMMITTEE
FORT TOTTEN ROOM
REPRESENTATIVE WES BELTER, CHAIRMAN**

SHANE GOETTLE – COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman and members of the committee, my name is Shane Goettle, Commissioner of the North Dakota Department of Commerce. I also serve as chairman of the EmPower North Dakota Commission.

The EmPower North Dakota Commission was established by the 2007 legislative assembly and its members were appointed by the Governor. It is an industry lead effort that allows all of our energy industries, both renewable and traditional, to have a voice into the state's energy policy.

On behalf of the EmPower ND Commission, I am here today to speak in favor of Senate Bills 2031, 2032, 2033, 2035, and 2037. All five of these bills have been recommended by the Commission and were approved by the interim Energy Development and Transmission committee. A complete list of bills recommended and supported by the Commission is below:

- House Bill No. 1032 - Siting Jurisdiction for Certain Gas Pipelines.
- House Bill No. 1352 – State Energy Policy.
- Senate Bill No. 2031 - Property Tax Reduction for Wind Towers.
- Senate Bill No. 2032 - Sales and Use Tax Exemption for Wind Towers.
- Senate Bill No. 2033 - Income Tax Credit for Renewable Energy Devices.
- Senate Bill No. 2034 - Oil Extraction Tax Exemption for Tertiary Recovery Using Carbon Dioxide.
- Senate Bill No. 2035 - Sales and Use Tax Exemption for Beneficiated Coal Plant and Severance Tax Exemption for Beneficiated Coal in Agricultural Commodity Processing.
- Senate Bill No. 2036 - Coal Conversion Tax Exemption for Repowering Beneficiated Coal Plant.
- Senate Bill No. 2037 - Sales and Use Tax Exemption for Gas From Oil Wells.

Senate Bills 2031, 2032, and 2033 extend our state's tax incentives for wind energy development to 2015. The combination of favorable property tax treatment, sales and use tax exemptions, and income tax credits has allowed North Dakota to be competitive with neighboring states as companies decide where to locate new wind farms. Periodic reviews are in order and the sunset of 2015 will allow a future consideration of whether these incentives are still appropriate.

SB 2035 gives equal tax treatment to beneficiated coal as coal in its natural form.

SB 2037 clarifies that the sales and use tax exemption for gas gathering equipment applies to oil wells.

Mr. Chairman and members of the Finance and Taxation Committee, I respectfully request your favorable consideration of Senate Bills 2031, 2032, 2033, 2035 and 2037. That concludes my testimony and I am happy to entertain any questions.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2037

Page 1, line 3, after "gas" insert "or for oil gathering lines"

Page 1, line 8, after "gas" insert "or for oil gathering lines"

Page 1, line 12, after the first "state" insert ", used to construct or expand an oil gathering line in this state,"

Page 1, line 15, after "gas" insert "or be incorporated in an oil gathering line"

Page 1, line 16, after "gas" insert "or to replace an existing oil gathering line"

Page 1, line 17, after "system" insert "or line"

Page 1, line 19, after "system" insert "or oil gathering line"

Page 2, line 3, after "system" insert "or oil gathering line"

Renumber accordingly

**TESTIMONY OF THE OFFICE OF STATE TAX COMMISSIONER
BEFORE THE
HOUSE FINANCE AND TAXATION COMMITTEE**

SENATE BILL 2037

February 25, 2009

Chairman Belter, members of the House Finance and Taxation Committee, I am Myles Vosberg, Director of Tax Administration for the Office of State Tax Commissioner and I am here today on behalf of the Tax Commissioner to testify in support of Senate Bill 2037.

Senate Bill 2037 relates to a sales tax exemption on purchases of tangible personal property used to gather, compress and refine gas produced in North Dakota. The Tax Commissioner introduced this bill to codify our current administrative processes and to update the exemption language so it is more consistent with other sales tax exemptions offered to incent economic activity and spur economic growth. We have worked with the bill sponsors that originally created this exemption during the 2007 legislative session and with representatives of the oil and gas industry to assure the original intent of the 2007 legislation is preserved. Senate Bill 2037 has no fiscal impact.

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In summary, Senate Bill 2037 clarifies the sales tax exemption available to owners of gas gathering, compressing and processing systems while maintaining the original intent of the exemption. The Tax Commissioner asks for favorable consideration. I will be happy to respond to questions you may have.

February 25, 2009

House Finance and Tax Committee

Testimony in SUPPORT of SB 2037

Northern Alliance of Independent Producers

The Northern Alliance of Independent Producers is an oil producers trade association representing over 60 members operating in the Dakotas and Montana. We represent only the producers perspective. Collectively, our members spent well in excess of \$1 billion drilling oil wells in North Dakota last year, which doesn't include their investment in pipelines, gas plants, and transportation facilities. We SUPPORT SB 2037 and the proposed amendments.

ECONOMIC IMPACT OF OIL AND GAS:

Extraction and production taxes alone are estimated in excess of \$700 million this biennium. (These funds are scattered throughout the budget, in general funds, common schools trust fund, foundation aid stabilization fund, water resources trust fund, oil impact, cities/counties, oil and gas research fund and the permanent oil tax trust fund- (POTTF)).

The Governor's budget projects \$562 million in the oil trust fund by June 2009, \$300 million of which is proposed to fund property tax relief as recommended by the Governor; and recent revenue forecast projects the POTTF to end at \$602,668,814 on June 30, 2011.

In discussions with members of the executive branch, we estimate that the industry represents approximately 25% of the general fund itself (through sales, personal and corporate income taxes and royalties). In a 2007 study, NDSU concluded that the oil industry represented \$8.2 billion in gross business volume. (up from \$3.9 billion in 2005--cf. coal at \$3.56 billion and wheat at \$1.8 billion). The study also shows 46,000 jobs (direct and indirect) from the industry.

Current Economics of North Dakota Producers:

Current rig count has gone from 98 to 59 today. (Nearly a 40% decline)

Capital expenditure budgets for 2009 have been reduced. (Many of the companies have seen similar declines—Hess, Continental Resources, Encore, Marathon...all signaled significant capital expenditure reductions ranging from 15 to 27% reductions in face of world economics and price declines that will not support the current level of development).

Price of \$147 a barrel, to current price of \$36.00. (But, North Dakota producers are getting far less—top at \$125, and North Dakota posting at Plains Marketing was \$27 and \$24 for ND sweet

and sour crude oil respectively yesterday). Recent posting is attached. This price differential signals one of the defects of the current structure with triggered tax rates based upon NYMEX.

THE BILL:

We support the bill as it is submitted, being necessary to confirm the sales tax exemptions for gas gathering systems applies to both gas wells and oil wells, to make clear that those systems qualify for the exemption regardless if the gas is coming from a gas well, or an oil well.

THE AMENDMENT:

We also support the amendment which adds oil gathering lines to the bill to exempt from sales tax gathering systems for oil as well. We think this is a concept that would be useful for the Legislature to consider because:

1. Current challenges in the Bakken, with current prices and the importance of the industry to the state
2. To encourage further build out of gathering systems (that would relieve some of the truck pressure on state and local road systems) and would be another way to reduce impacts that you have heard so much about this Session. (Some systems are not being built in face of current prices and availability of trucking as an expensive, but available alternative).
3. Develop more efficient (and cost effective) means of transporting oil to a transmission line.
4. Development of the infrastructure will reduce costs, and encourage further investment for new wells, having some assurance that at least the gathering system is in place to get oil to a larger outlet (transmission system, rail or truck terminal).

As an example of how significant this issue is we looked at the Parshall field and Mountrail County. It is estimated that 100 miles of gathering systems was built last year, to accommodate Mountrail County production of 2.1 million barrel per month. (At 200 barrels per truck that is the equivalent of 10,000 trucks per month).

We think this is a concept the Committee should explore and keep alive as one means of providing incentives to the industry but also an additional means of addressing the impacts the industry has on state and local road systems.

We ask for your support of SB 2037 and the amendments that have been offered.

Robert W. Harms

Northern Alliance of Independent Producers



CRUDE OIL PRICE BULLETIN 2009-036
(CANCELS AND SUPERSEDES 2009-035)

PLAINS MARKETING, L.P. • 333 CLAY • P.O. BOX 4648 • HOUSTON, TEXAS 77210-4648 • (713) 646-4100

Effective 7:00 A.M. February 24, 2009, subject to change without notice and subject to its division orders and other contracts, Plains Marketing, L.P. will pay the following prices per barrel of 42 U.S. gallons each adjusted for American Petroleum Institute (API) gravity for merchantable quality virgin crude oil and condensate delivered for its count into the custody of its authorized carrier or receiving agency.

	PRICE (\$/BBL)	POSTED GRAVITY API	GVT. ADJ. SCALE ¹
TEXAS			
West Texas Intermediate - Area #1.....	36.00 *	40.0-44.9	1
West Texas Intermediate - All Other Areas.....	36.50 *	40.0-44.9	1
West Texas Sour.....	28.85 *	34.0-44.9	4
West Central Texas.....	36.25 *	40.0-44.9	1
North Texas Sweet.....	35.70 *	40.0-44.9	1
North Texas (Cooke & Grayson) Sweet.....	36.50 *	40.0-44.9	2
North Texas (Cooke & Grayson) Sour.....	29.25 *	40.0-44.9	3
East Texas Field.....	36.00 *	Flat	Flat
East Texas (Other than E. TX. Field).....	36.00 *	40.0-44.9	1
East Texas Sour.....	26.00 *	34.0-44.9	4
East Texas Light Sour.....	29.25 *	34.0-44.9	4
East Texas Condensate.....	32.50 *	40.0-44.9	1
Texas Upper Gulf Coast.....	29.50 *	40.0-44.9	1
Texas Central Gulf Coast (Giddings).....	29.50 *	40.0-44.9	1
South Texas Light (Sweet).....	29.50 *	40.0-44.9	1
South Texas Heavy.....	29.25 *	29.0-44.9	5
South Texas Sour.....	24.00 *	34.0-44.9	4
Texas Panhandle.....	36.00 *	40.0+	15
NEW MEXICO			
New Mexico Intermediate.....	36.50 *	40.0-44.9	1
New Mexico Sour.....	28.85 *	34.0-44.9	4
LOUISIANA			
North Louisiana.....	35.75 *	40.0-44.9	1
Central Louisiana Sweet.....	36.00 *	40.0-44.9	1
North Louisiana LCT.....	36.75 *	Flat	Flat
Central Louisiana LCT.....	36.25 *	Flat	Flat
North Louisiana Condensate.....	32.25 *	40.0-44.9	1
South Louisiana Light Sweet (Onshore).....	35.25 *	40.0-44.9	2
Ferriday Area.....	36.25 *	Flat	Flat
South Louisiana Eugene Island (Onshore).....	32.00 *	40.0-44.9	2
South Arkansas and North Louisiana Sour.....	30.50 *	34.0-44.9	4
MISSISSIPPI			
Mississippi Light Sweet.....	35.25 *	40.0-50.0	7
Mississippi Light Sour.....	26.65 *	34.0-44.9	4
COLORADO			
Colorado Southeastern.....	30.00 *	40.0-44.9	12
D-J Basin.....	25.05 *	40.0-44.9	1
Colorado Western.....	22.08 *	40.0-44.9	3
UTAH			
Black Wax.....	24.70 *	40.0-44.9	3
ILLINOIS			
Illinois Sweet.....	31.75 *	30.0-44.9	11
INDIANA			
Indiana Sweet.....	31.75 *	30.0-44.9	11
KANSAS			
Kansas Common.....	28.25 *	40.0-44.9	2
Eastern Kansas Common.....	24.08 *	40.0-44.9	2
Eastern Kansas Common Special.....	19.53 *	40.0-44.9	2
Northwestern Kansas Sweet.....	28.75 *	40.0-44.9	2
Southwestern Kansas Sweet.....	28.85 *	40.0-44.9	2
Central Kansas Sweet.....	29.25 *	40.0-44.9	2
NEBRASKA			
Nebraska Western.....	25.05 *	40.0-44.9	1
Nebraska Intermediate.....	26.50 *	40.0+	14
NORTH DAKOTA			
Williston Basin Sweet.....	26.58 *	40.0-44.9	1
Williston Basin Sour.....	23.68 *	40.0-44.9	6
OKLAHOMA			
Domestic Sweet (Cushing).....	36.50 *	40.0-44.9	2
Oklahoma Sweet.....	36.50 *	40.0-44.9	2
Oklahoma Sweet Special.....	31.75 *	40.0-44.9	2
Oklahoma Sweet-Central.....	36.50 *	40.0-44.9	2
Western Oklahoma.....	31.00 *	40.0-44.9	2
Oklahoma Panhandle.....	30.50 *	40.0-44.9	2
Oklahoma Sour.....	23.50 *	40.0-44.9	3
Oklahoma Condensate.....	35.04 *	Flat	Flat
Oklahoma Condensate Light.....	34.31 *	Flat	Flat
WYOMING			
Wyoming Southwestern Area.....	24.08 *	40.0-44.9	3
Wyoming Sweet other Areas.....	26.58 *	40.0-44.9	1
Wyoming General Sour.....	25.33 *	40.0-44.9	8
Wyoming Asphaltic Sour.....	24.08 *	40.0-44.9	8

¹ The gravity adjustment scale and other terms are set forth on Page 2.

* Indicates a price change