

Oil & Gas TIDBITS



We Keep North Dakota Going Strong

North Dakotans Benefit from Oil Tax Dollars Over \$251 Million in Oil Tax Revenues Paid to State in 2007

Thanks to North Dakota's oil and gas industry, our state's homeowners, landowners, and commercial property owners will benefit from property tax relief totaling \$115 million.

Thanks to North Dakota's oil and gas industry, our state's colleges and universities will benefit from the Centers of Excellence program, totaling \$21.3 million, to better support economic development and the creation of higher paying jobs.

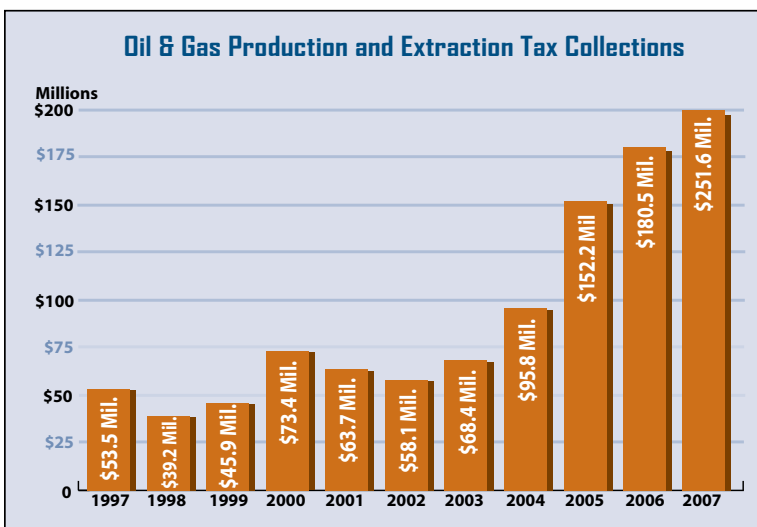
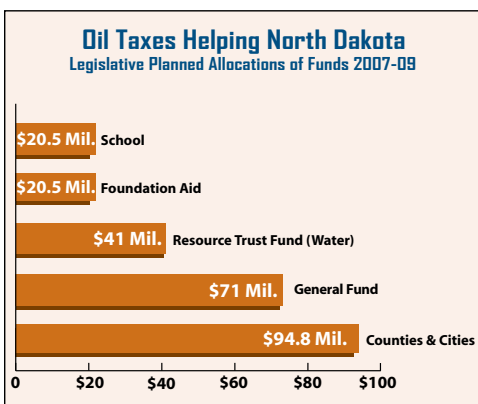
Thanks to North Dakota's oil and gas industry, the Resource Trust Fund, which provides funding for water projects statewide, will benefit from an additional \$41 million.

Taxes paid by the North Dakota oil and gas industry help fund numerous programs and initiatives throughout the state.

Additionally, these taxes go right back into helping counties, cities, schools, and numerous programs and services throughout the state including water development, health care, information technology, higher education, and many, many more.

"The economic contributions of the state's energy sector - and indeed the oil patch specifically - cannot be understated. North Dakotans are enjoying a high level of employment, a growing wage base, and a healthy overall economy that is the envy of much of the nation. Because of the tax revenues generated by growth industries, state lawmakers have been able to keep overall tax rates moderately low, while continuing to fund the state's priorities including offering broad-based tax relief. Our economic strengths are due to vibrant sectors such as the oil industry in our state."

*Cory Fong
North Dakota State Tax Commissioner*



FACTS

- North Dakota oil production reported a total of **45 million barrels of oil** in 2007, up 11.3% from 2006.
- Bowman County accounted for **37.6% of the state's oil production** in 2007.
- The oil and gas industry generated **\$17.2 million in taxable sales and purchases** in 2007, up 107% from 2006.
- Currently, North Dakota has **62 rigs drilling new wells and 3,800 existing producer wells**.
- \$7.2 million** was returned to McKenzie, Billings, Golden Valley and Slope Counties for **schools and roads**. This money was part of the U.S. Forest Service administered lands in the Little Missouri National Grasslands, which provided oil and gas revenues of **\$28.8 million** during fiscal year 2007.
- The Bureau of Land Management administered land produced more than **\$27.5 million in oil and gas revenues** during fiscal year 2007. Half of that amount, **\$13.7 million**, was returned to **the state's general fund and is the first money expended for education**.

Statewide, North Dakota Prospers From Oil & Gas

Drastic Growth of Oil Activity on State Land Helps Fund K-12 Public Education

North Dakota oil activity is once again booming, resulting in a noticeable impact for the educational trust funds.


“Oil and gas tax payments to counties, cities, and school districts are on the rise. The 16 oil producing counties received \$27.6 million from Gross Production taxes in State Fiscal Year (SFY) 2007. In just the first nine months of SFY 2008 the payments will exceed \$32 million.”

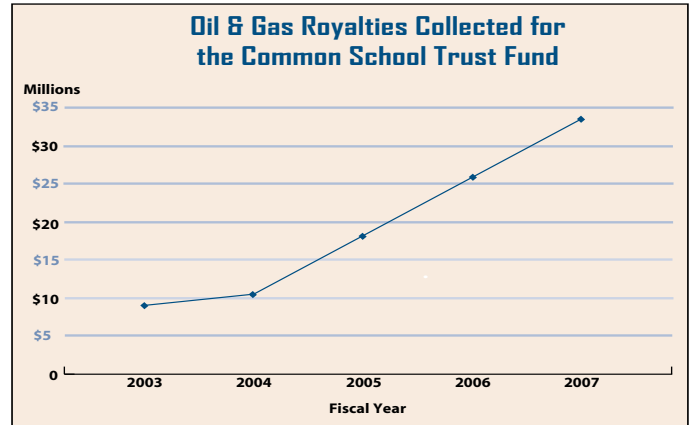
Kelly Schmidt
North Dakota State Treasurer

The North Dakota Board of University and School Lands manages over 2.5 million mineral acres that generate funds primarily from oil and gas royalties. The K-12 public education system is the largest recipient of funds from these collections.

Oil and gas royalty collections, from these mineral acres, have been growing rapidly since 2003. In the first eight months of fiscal year 2008, royalties collected have nearly matched total collections from fiscal year 2007.

“Since 2003, the collection of royalties has increased from under one million to now over four million dollars a month and growing. While this is partially due to both higher oil prices and increased production, we are also now adding four to six new oil wells a month,” said Gary D. Preszler, North Dakota Land Commissioner.

School trusts, royalty, and bonus money is added to the Trust Corpus Fund, which will provide lasting benefits in education funding for many generations to come. 



To learn more about the oil and gas industry in North Dakota, visit the North Dakota Petroleum Council at www.ndoil.org.



Oil Taxes Helping North Dakota Legislative Allocations of Surplus Oil Funds 2005-07	
Transfer to General Fund	\$55.3 million
Centers of Excellence	\$21.3 million
Department of Human Services	\$3.6 million
Peace Garden Music Camp	\$350 thousand

Oil Taxes Helping North Dakota Legislative Allocations of Surplus Oil Funds 2007-09	
Property Tax Relief	\$115 million
Higher Education	\$7.7 million
Veterans Home	\$6.4 million
Agriculture Research	\$750 thousand

North Dakota Petroleum Council

We Keep North Dakota Going Strong

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