

SENATE BILL NO. 2193

Introduced by

Senators Wardner, Nichols, Urlacher

Representatives Byerly, Haas, Schmidt

1 A BILL for an Act to amend and reenact subsection 3 of section 57-51-05 of the North Dakota
2 Century Code, relating to an oil and gas gross production tax exemption and statements
3 regarding gas injection for secondary or tertiary recovery projects; and to provide an effective
4 date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Subsection 3 of section 57-51-05 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 3. Gas when produced and utilized in any manner, except when used for fuel or
9 otherwise used in the operation of any lease or premises in the drilling for or
10 production of oil or gas therefrom, or for repressuring thereon, must be considered
11 for the purpose of this chapter, as to the amount utilized, as gas actually produced
12 and saved. For gas production resulting from secondary or tertiary recovery
13 projects employing gas injection, any gas upon which a tax has been levied under
14 this chapter and which is used for injection is deemed to be the gas first recovered
15 and is exempt from taxation. The producer shall file a monthly statement, on a
16 form prescribed by the commissioner, showing the amount of gas injected, gas
17 produced, and the amount of gas qualifying for the exemption for each secondary
18 or tertiary project employing gas injection.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for gas production after June 30,
20 2001.