

February 13, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2336

Page 1, line 4, after "reenact" insert "subsection 4 of section 38-08-04 and"

Page 1, after line 9, insert:

**"SECTION 1. AMENDMENT.** Subsection 4 of section 38-08-04 of the North Dakota Century Code is amended and reenacted as follows:

4. To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter, to annually classify and determine the status and depth and average daily oil production of wells that are stripper well property as defined in ~~subsection 8~~ of section 57-51.1-01, to annually certify to the tax commissioner which wells are stripper wells and the depth and average daily oil production of those wells, and to certify to the tax commissioner which wells involve secondary or tertiary recovery operations under section 57-51.1-01, and the date of qualification for the reduced rate of oil extraction tax for secondary and tertiary recovery operations. The requirement of annual classification and certification under this subsection applies only for wells drilled and completed in the Bakken or Three Forks formation and for other wells the classification and certification is required only once.

Page 3, line 15, replace "~~forty-five~~" with "forty"

Page 4, line 1, remove the overstrike over ""Average"

Page 4, line 5, after "closed" insert "statewide production" means the number of barrels of oil produced from wells within this state during a calendar month divided by the number of calendar days in that month, as determined by the industrial commission"

Page 4, line 5, remove the overstrike over the overstruck period

Page 4, line 12, after "5-" insert "2."

Page 4, line 15, replace "2." with "3."

Page 4, line 21, replace "3." with "4."

Page 5, line 1, replace "4." with "5."

Page 5, line 29, replace "5." with "6."

Page 6, line 1, replace "6." with "7."

Page 6, line 8, replace "~~forty-five~~" with "forty"

Page 7, line 25, after "2016" insert ", or beginning on the first day of the first calendar quarter beginning after a period of three consecutive calendar months in which average statewide daily production exceeds one million barrels per day, whichever occurs first"

Page 7, line 27, replace "after" with "through"

Page 7, line 29, replace "2013" with "2011"

Page 8, line 2, after the underscored period insert "An individual well on a stripper well property which exceeded an average of one hundred fifty barrels of oil production per day, according to its annual certification by the industrial commission under section 38-08-04, is not eligible for the exemption under this section until the production from that well individually meets the requirements of the definition for stripper well status under section 57-51.1-01."

Page 8, line 19, remove "and which was spud"

Page 8, line 22, after the underscored period insert "An individual well on a stripper well property which exceeded an average of one hundred fifty barrels of oil production per day, according to its annual certification by the industrial commission under section 38-08-04, is not eligible for the exemption under this section until the production from that well individually meets the requirements of the definition for stripper well status under section 57-51.1-01."

Page 15, line 16, replace "1" with "2 "

Page 15, line 17, replace "2, 5, 6, and 8" with "3 and 9 and section 57-51.1-03, as effective through June 30, 2013, and as amended by sections 6 and 7"

Page 15, line 19, replace "3, 4, 7, and 9" with "4, 5, 8, and 10"

Page 15, line 20, after the period insert "Section 6 of this Act is effective for wells completed after June 30, 2011, but applies only to production after June 30, 2013."

Renumber accordingly