

1 H BILL NO. 540
 2 INTRODUCED BY Gregson Underdel Hunter Director
 3 L. Hinch

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF
 5 PRIVILEGE AND LICENSE TAX ASSESSED TO OIL AND GAS OPERATORS
 6 AND PRODUCERS FOR SUPPORT OF THE BOARD OF OIL AND GAS
 7 CONSERVATION; AMENDING SECTION 60-145, R.C.M. 1947."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 60-145, R.C.M. 1947, is amended to
 11 read as follows:

12 "60-145. Privilege and license tax -- quarterly
 13 statements -- penalties -- drilling permit fees -- oil and
 14 gas conservation moneys. (1) For the purpose of providing
 15 funds for defraying the expenses of the operation and
 16 enforcement of this chapter, and expenses of the board, the
 17 operators and producers of oil and gas shall pay an
 18 assessment not to exceed the amounts set forth in the
 19 following schedule on each barrel of crude petroleum
 20 originally produced, saved and marketed or stored within the
 21 state, or exported from the state, and on each ten thousand
 22 (10,000) cubic feet of natural gas produced, saved and
 23 marketed or stored within the state, or exported therefrom:
 24 (a) On leases on which wells are producing an average
 25 of twenty-five (25) barrels of crude petroleum per day or

1 less an assessment not to exceed three-eighths of one cent
 2 (3/8¢) per barrel;

3 (b) On leases on which wells are producing an average
 4 of more than twenty-five (25) barrels of crude petroleum per
 5 day an assessment not to exceed three-fourths of one cent
 6 (3/4¢) per barrel; and

7 (c) On wells producing, saving and marketing, storing,
 8 or exporting natural gas, the operators and producers shall
 9 pay an assessment not to exceed two and one-half (2 1/2)
 10 mills per ten thousand (10,000) cubic feet of natural gas
 11 where said gas is marketed for less than fifteen cents (15¢)
 12 per thousand (1,000) cubic feet and an assessment not to
 13 exceed five (5) mills per ten thousand (10,000) cubic feet
 14 of natural gas where said gas is marketed for fifteen cents
 15 (15¢) or more per thousand (1,000) cubic feet, 2/10 of 1%
 16 of the market value of each barrel of crude petroleum
 17 originally produced, saved and marketed, or stored within
 18 the state or exported from the state, and the same rate on
 19 the market value of each 10,000 cubic feet of natural gas
 20 produced, saved and marketed, or stored within the state or
 21 exported therefrom.

22 (2) The board shall by order, without prior notice, or
 23 hearing, fix the amount of the assessments and may, from
 24 time to time, without prior notice or hearing, reduce or
 25 increase the amount thereof as, in its judgment, the

1 expenses chargeable against the oil and gas conservation
 2 fund may require; however, the assessments fixed by the
 3 board may not exceed the limits prescribed in this section.
 4 The amounts of the assessments shall be a percentage factor
 5 (not to exceed ~~one-hundred-percent-(100%)~~) of the rates set
 6 forth in subsections (a), (b), and (c) above, and the same
 7 percentage factor shall be applied by the board in fixing
 8 the amount of the assessment on each barrel of crude
 9 production and each ~~ten--thousand--(10,000)~~ cubic feet of
 10 natural gas mentioned in those subsections. The producers of
 11 the crude petroleum and natural gas shall pay the
 12 assessments on each barrel of crude petroleum and each ~~ten~~
 13 ~~thousand--(10,000)~~ cubic feet of natural gas produced for
 14 themselves, as well as for others, including royalty
 15 holders, and the producers shall be reimbursed for the
 16 payments made on crude oil and natural gas produced for
 17 others in the same manner as they are reimbursed for net
 18 proceeds tax paid on crude petroleum or natural gas produced
 19 for others under section 34-6208.

20 (3) For the purposes of this section, a "lease" means
 21 that particularly described tract of land contained in a
 22 contract in writing whereby a person having a legal estate
 23 in the land so described conveys a portion of his interest
 24 to another, in consideration of a certain rental or other
 25 recompense or consideration. Further, for the purposes of

1 this section, leases owned or operated by one ~~††~~ lessee
 2 which in whole or in part cover or affect an underground
 3 reservoir containing a common accumulation of crude
 4 petroleum oil or natural gas, or both, or which are
 5 encompassed within or affected by one ~~††~~ particular unit
 6 agreement shall be considered as one ~~††~~ lease relative to
 7 payments to be made under this section.

8 (4) In addition to the above-mentioned privilege and
 9 license tax, a person, before commencing the drilling of an
 10 oil or gas well or stratigraphic test well or core hole,
 11 shall secure from the board a drilling permit and shall pay
 12 to the board therefor the following amounts: for each well
 13 whose estimated depth is ~~thirty-five-hundred-(3,500)~~ feet or
 14 less, ~~twenty-five--dollars--(\$25)~~; from ~~thirty-five-hundred~~
 15 ~~and--one--(3,501)~~ feet to ~~seven--thousand--(7,000)~~ feet,
 16 ~~seventy-five--dollars--(\$75)~~; ~~seven-thousand-(7,000)~~ feet and
 17 deeper, ~~one-hundred-fifty-dollars-(\$150)~~.

18 (5) Each producer of crude petroleum in the state
 19 shall, not later than the last day of each of the calendar
 20 months of February, May, August and November, of each
 21 calendar year, render a true statement to the state
 22 treasurer of the state, and a duplicate thereof to the
 23 board, duly signed and sworn to, of all crude petroleum
 24 produced and marketed by him in this state during the
 25 preceding quarter, and containing such other information as

1 the board may require, and shall accompany the statement
 2 with the payment to the state treasurer of the assessment
 3 provided for in subsection (1) of this section, for the
 4 period covered by the statement. Each producer of natural
 5 gas in the state shall render like statements to the state
 6 treasurer of all natural gas produced and marketed by him in
 7 this state, and shall make payment of the assessment
 8 provided for in subsection (1) of this section, at such
 9 times and for such periods as may be prescribed by rule of
 10 the board. Any producer carrying on business at more than
 11 one ~~fit~~ place or location in this state may include all
 12 those places of business in one ~~fit~~ statement. The
 13 assessment imposed herein shall be due at the time the oil
 14 or natural gas is marketed. Oil or natural gas shall be
 15 deemed marketed when it is removed from the property from
 16 which it was produced.

17 (6) An assessment not paid within the time specified
 18 is delinquent, and a penalty of ~~twenty-five-percent-(25%)~~
 19 thereof shall be added thereto and the whole thereof shall
 20 bear interest at the rate of ~~one-percent-(1%)~~ per month from
 21 the date of delinquency until paid. Upon request of the
 22 board the attorney general shall commence and prosecute to
 23 final determination in any court of competent jurisdiction
 24 an action at law to collect the same.

25 (7) All money collected under this chapter shall be

1 deposited in the earmarked revenue fund by the state
 2 treasurer of the state, and shall be used for the purpose of
 3 paying all expenses of the board and for no other purpose;
 4 all these moneys shall be used by the board subject to the
 5 approval of the department of administration and biennial
 6 appropriations by the legislature."

-End-

STATE OF MONTANA

REQUEST NO. 276-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 28, 19 77, there is hereby submitted a Fiscal Note for House Bill 540 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION

This bill revises the rate of privilege and license tax assessed to oil and gas operators and producers for support of the board of oil and gas conservation.

ASSUMPTIONS

1. The rate of the tax will be set at 0.2% in FY 78 and then reduced to 0.125% in FY 79.
2. Revenue generated under the current law would equal \$228,000 in FY 78 and \$218,000 in FY 79.
3. No large oil discoveries would occur during the biennium.
4. Administrative costs would remain unchanged.

(Information supplied by Department of Natural Resources, Oil & Gas Conservation Division)

FISCAL IMPACT

| | <u>FY 78</u> | <u>FY 79</u> |
|--|------------------|------------------|
| Privilege tax on oil & gas under current law | \$228,000 | \$218,000 |
| Privilege tax on oil & gas under proposed law | <u>\$516,000</u> | <u>\$313,000</u> |
| TOTAL INCREASE | <u>\$288,000</u> | <u>\$ 95,000</u> |

PREPARED BY DEPARTMENT OF REVENUE

Richard J. Dunnington
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-1-77

STATE OF MONTANA

REQUEST NO. 276-77
AMENDED

FISCAL NOTE

Form BD

In compliance with a written request received February 3, 19 77, there is hereby submitted a Fiscal Note for House Bill 540 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill revises the rate of privilege and license tax assessed to oil and gas operators and producers for support of the board of oil and gas conservation.

ASSUMPTIONS

1. The rate of the tax will be set at 0.2% in FY 78 and then reduced to .1% in FY 79.
2. Revenue generated under the current law would equal \$238,000 in FY 78 and \$230,000 in FY 79.
3. No large oil discoveries would occur during the biennium.
4. Administrative costs would remain unchanged.

(Information supplied by Department of Natural Resources, Oil & Gas Conservation Division)

FISCAL IMPACT

| | <u>FY 78</u> | <u>FY 79</u> |
|--|-------------------------|-------------------------|
| Privilege tax on oil & gas under current law | \$238,000 | \$230,000 |
| Privilege tax on oil & gas under proposed law | <u>\$567,000</u> | <u>\$286,000</u> |
| TOTAL INCREASE | <u><u>\$329,000</u></u> | <u><u>\$ 56,000</u></u> |

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Tracy
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-3-77

Approved by Committee
on Natural Resources

HOUSE BILL NO. 540

INTRODUCED BY AAGESON, UNDERDAL, JOHNSTON, SIVERTSEN, HIRSCH

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF PRIVILEGE AND LICENSE TAX ASSESSED TO OIL AND GAS OPERATORS AND PRODUCERS FOR SUPPORT OF THE BOARD OF OIL AND GAS CONSERVATION; AMENDING SECTION 60-145, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 60-145, R.C.M. 1947, is amended to read as follows:

"60-145. Privilege and license tax -- quarterly statements -- penalties -- drilling permit fees -- oil and gas conservation moneys. (1) For the purpose of providing funds for defraying the expenses of the operation and enforcement of this chapter, and expenses of the board, the operators and producers of oil and gas shall pay an assessment not to exceed the amounts set forth in the following schedule on each barrel of crude petroleum originally produced, saved and marketed or stored within the state or exported from the state and on each ten thousand cubic feet of natural gas produced, saved and marketed or stored within the state or exported therefrom:

(a) On leases on which wells are producing an average of twenty-five (25) barrels of crude petroleum per day, or

less, an assessment not to exceed three-eighths of one cent (3/8¢) per barrel;

(b) On leases on which wells are producing an average of more than twenty-five (25) barrels of crude petroleum per day, an assessment not to exceed three-fourths of one cent (3/4¢) per barrel; and

(c) On wells producing, saving and marketing, storing or exporting natural gas, the operators and producers shall pay an assessment not to exceed two and one-half (2 1/2) mills per ten thousand (10,000) cubic feet of natural gas where said gas is marketed for less than fifteen cents (15¢) per thousand (1,000) cubic feet and an assessment not to exceed five (5) mills per ten thousand (10,000) cubic feet of natural gas where said gas is marketed for fifteen cents (15¢) or more per thousand (1,000) cubic feet, 2/10 of 1% of the market value of each barrel of crude petroleum originally produced, saved and marketed, or stored within the state or exported from the state, and the same rate on the market value of each 10,000 cubic feet of natural gas produced, saved and marketed, or stored within the state or exported therefrom.

(2) The board shall by order, without prior notice, or hearing, fix the amount of the assessments and may, from time to time, without prior notice or hearing, reduce or increase the amount thereof as, in its judgment, the

SECOND READING

1 expenses chargeable against the oil and gas conservation
 2 fund may require; however, the assessments fixed by the
 3 board may not exceed the limits prescribed in this section.
 4 The amounts of the assessments shall be a percentage factor
 5 (not to exceed ~~one-hundred-percent-(100%)~~) of the rates set
 6 forth in ~~subsections-(a)-(b)-and-(c)~~ SUBSECTION (1) above,
 7 and the same percentage factor shall be applied by the board
 8 in fixing the amount of the assessment on each barrel of
 9 crude production and each ~~ten-thousand-(10,000)~~ cubic feet
 10 of natural gas mentioned in those subsections. The producers
 11 of the crude petroleum and natural gas shall pay the
 12 assessments on each barrel of crude petroleum and each ~~ten~~
 13 ~~thousand--(10,000)~~ cubic feet of natural gas produced for
 14 themselves, as well as for others, including royalty
 15 holders, and the producers shall be reimbursed for the
 16 payments made on crude oil and natural gas produced for
 17 others in the same manner as they are reimbursed for net
 18 proceeds tax paid on crude petroleum or natural gas produced
 19 for others under section 84-6206.

20 (3) For the purposes of this section, a "lease" means
 21 that particularly described tract of land contained in a
 22 contract in writing whereby a person having a legal estate
 23 in the land so described conveys a portion of his interest
 24 to another, in consideration of a certain rental or other
 25 recompense or consideration. Further, for the purposes of

1 this section, leases owned or operated by one ~~(1)~~ lessee
 2 which in whole or in part cover or affect an underground
 3 reservoir containing a common accumulation of crude
 4 petroleum oil or natural gas, or both, or which are
 5 encompassed within or affected by one ~~(1)~~ particular unit
 6 agreement shall be considered as one ~~(1)~~ lease relative to
 7 payments to be made under this section.

8 (4) In addition to the above-mentioned privilege and
 9 license tax, a person, before commencing the drilling of an
 10 oil or gas well or stratigraphic test well or core hole,
 11 shall secure from the board a drilling permit and shall pay
 12 to the board therefor the following amounts: for each well
 13 whose estimated depth is ~~thirty-five-hundred-(3,500)~~ feet or
 14 less, ~~twenty-five--dollars--(\$25)~~; from ~~thirty-five-hundred~~
 15 ~~and--one--(3,501)~~ feet to ~~seven--thousand--(7,000)~~ feet,
 16 ~~seventy-five--dollars--(\$75)~~; ~~seven-thousand-(7,000)~~ feet and
 17 deeper, ~~one-hundred-fifty-dollars--(\$150)~~.

18 (5) Each producer of crude petroleum in the state
 19 shall, not later than the last day of each of the calendar
 20 months of February, May, August and November, of each
 21 calendar year, render a true statement to the state
 22 treasurer of the state, and a duplicate thereof to the
 23 board, duly signed and sworn to, of all crude petroleum
 24 produced and marketed by him in this state during the
 25 preceding quarter, and containing such other information as

1 the board may require, and shall accompany the statement
 2 with the payment to the state treasurer of the assessment
 3 provided for in subsection (1) of this section, for the
 4 period covered by the statement. Each producer of natural
 5 gas in the state shall render like statements to the state
 6 treasurer of all natural gas produced and marketed by him in
 7 this state, and shall make payment of the assessment
 8 provided for in subsection (1) of this section, at such
 9 times and for such periods as may be prescribed by rule of
 10 the board. Any producer carrying on business at more than
 11 one ~~††~~ place or location in this state may include all
 12 those places of business in one ~~††~~ statement. The
 13 assessment imposed herein shall be due at the time the oil
 14 or natural gas is marketed. Oil or natural gas shall be
 15 deemed marketed when it is removed from the property from
 16 which it was produced.

17 (6) An assessment not paid within the time specified
 18 is delinquent, and a penalty of ~~twenty-five-percent-†25%†~~
 19 thereof shall be added thereto and the whole thereof shall
 20 bear interest at the rate of ~~one-percent-†1%†~~ per month from
 21 the date of delinquency until paid. Upon request of the
 22 board the attorney general shall commence and prosecute to
 23 final determination in any court of competent jurisdiction
 24 an action at law to collect the same.

25 (7) All money collected under this chapter shall be

1 deposited in the earmarked revenue fund by the state
 2 treasurer of the state, and shall be used for the purpose of
 3 paying all expenses of the board and for no other purpose;
 4 all these moneys shall be used by the board subject to the
 5 approval of the department of administration and biennial
 6 appropriations by the legislature."

-End-

HOUSE BILL NO. 540

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF PRIVILEGE AND LICENSE TAX ASSESSED TO OIL AND GAS OPERATORS AND PRODUCERS FOR SUPPORT OF THE BOARD OF OIL AND GAS CONSERVATION; AMENDING SECTION 60-145, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 60-145, R.C.M. 1947, is amended to read as follows:

"60-145. Privilege and license tax -- quarterly statements -- penalties -- drilling permit fees -- oil and gas conservation moneys. (1) For the purpose of providing funds for defraying the expenses of the operation and enforcement of this chapter, and expenses of the board, the operators and producers of oil and gas shall pay an assessment not to exceed the amounts set forth in the following schedule on each barrel of crude petroleum originally produced, saved and marketed or stored within the state or exported from the state and on each ten thousand cubic feet of natural gas produced, saved and marketed or stored within the state or exported therefrom:

(a) On leases on which wells are producing an average of twenty-five (25) barrels of crude petroleum per day, or

less an assessment not to exceed three-eighths of one cent (3/8¢) per barrel;

(b) On leases on which wells are producing an average of more than twenty-five (25) barrels of crude petroleum per day, an assessment not to exceed three-fourths of one cent (3/4¢) per barrel; and

(c) On wells producing, saving and marketing, storing or exporting natural gas, the operators and producers shall pay an assessment not to exceed two and one-half (2 1/2) mills per ten thousand (10,000) cubic feet of natural gas where said gas is marketed for less than fifteen cents (15¢) per thousand (1,000) cubic feet and an assessment not to exceed five (5) mills per ten thousand (10,000) cubic feet of natural gas where said gas is marketed for fifteen cents (15¢) or more per thousand (1,000) cubic feet, 2/10 of 1% of the market value of each barrel of crude petroleum originally produced, saved and marketed, or stored within the state or exported from the state, and the same rate on the market value of each 10,000 cubic feet of natural gas produced, saved and marketed, or stored within the state or exported therefrom.

(2) The board shall by order, without prior notice, or hearing, fix the amount of the assessments and may, from time to time, without prior notice or hearing, reduce or increase the amount thereof as, in its judgment, the

1 expenses chargeable against the oil and gas conservation
 2 fund may require; however, the assessments fixed by the
 3 board may not exceed the limits prescribed in this section.
 4 The amounts of the assessments shall be a percentage factor
 5 (not to exceed ~~one-hundred-percent-(100%)~~) of the rates set
 6 forth in ~~subsections-(a)-(b)-and-(c)~~ SUBSECTION (1) above,
 7 and the same percentage factor shall be applied by the board
 8 in fixing the amount of the assessment on each barrel of
 9 crude production and each ~~ten-thousand-(10,000)~~ cubic feet
 10 of natural gas mentioned in those subsections. The producers
 11 of the crude petroleum and natural gas shall pay the
 12 assessments on each barrel of crude petroleum and each ~~ten~~
 13 ~~thousand--(10,000)~~ cubic feet of natural gas produced for
 14 themselves, as well as for others, including royalty
 15 holders, and the producers shall be reimbursed for the
 16 payments made on crude oil and natural gas produced for
 17 others in the same manner as they are reimbursed for net
 18 proceeds tax paid on crude petroleum or natural gas produced
 19 for others under section 84-6208.

20 (3) For the purposes of this section, a "lease" means
 21 that particularly described tract of land contained in a
 22 contract in writing whereby a person having a legal estate
 23 in the land so described conveys a portion of his interest
 24 to another, in consideration of a certain rental or other
 25 recompense or consideration. Further, for the purposes of

1 this section, leases owned or operated by one ~~††~~ lessee
 2 which in whole or in part cover or affect an underground
 3 reservoir containing a common accumulation of crude
 4 petroleum oil or natural gas, or both, or which are
 5 encompassed within or affected by one ~~††~~ particular unit
 6 agreement shall be considered as one ~~††~~ lease relative to
 7 payments to be made under this section.

8 (4) In addition to the above-mentioned privilege and
 9 license tax, a person, before commencing the drilling of an
 10 oil or gas well or stratigraphic test well or core hole,
 11 shall secure from the board a drilling permit and shall pay
 12 to the board therefor the following amounts: for each well
 13 whose estimated depth is ~~thirty-five-hundred-(3,500)~~ feet or
 14 less, ~~twenty-five--dollars--(\$25)~~; from ~~thirty-five-hundred~~
 15 ~~and--one--(3,501)~~ feet to ~~seven--thousand--(7,000)~~ feet,
 16 ~~seventy-five--dollars--(\$75)~~; ~~seven-thousand-(7,000)~~ feet and
 17 deeper, ~~one-hundred-fifty-dollars-(150)~~.

18 (5) Each producer of crude petroleum in the state
 19 shall, not later than the last day of each of the calendar
 20 months of February, May, August and November, of each
 21 calendar year, render a true statement to the state
 22 treasurer of the state, and a duplicate thereof to the
 23 board, duly signed and sworn to, of all crude petroleum
 24 produced and marketed by him in this state during the
 25 preceding quarter, and containing such other information as

1 the board may require, and shall accompany the statement
 2 with the payment to the state treasurer of the assessment
 3 provided for in subsection (1) of this section, for the
 4 period covered by the statement. Each producer of natural
 5 gas in the state shall render like statements to the state
 6 treasurer of all natural gas produced and marketed by him in
 7 this state, and shall make payment of the assessment
 8 provided for in subsection (1) of this section, at such
 9 times and for such periods as may be prescribed by rule of
 10 the board. Any producer carrying on business at more than
 11 one ~~fit~~ place or location in this state may include all
 12 those places of business in one ~~fit~~ statement. The
 13 assessment imposed herein shall be due at the time the oil
 14 or natural gas is marketed. Oil or natural gas shall be
 15 deemed marketed when it is removed from the property from
 16 which it was produced.

17 (6) An assessment not paid within the time specified
 18 is delinquent, and a penalty of ~~twenty-five percent~~ ~~(25%)~~
 19 thereof shall be added thereto and the whole thereof shall
 20 bear interest at the rate of ~~one percent~~ ~~(1%)~~ per month from
 21 the date of delinquency until paid. Upon request of the
 22 board the attorney general shall commence and prosecute to
 23 final determination in any court of competent jurisdiction
 24 an action at law to collect the same.

25 (7) All money collected under this chapter shall be

1 deposited in the earmarked revenue fund by the state
 2 treasurer of the state, and shall be used for the purpose of
 3 paying all expenses of the board and for no other purpose;
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 22 contract in writing whereby a person having a legal estate
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 24 to another, in consideration of a certain rental or other
 25 recompense or consideration. Further, for the purposes of

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 2 which in whole or in part cover or affect an underground
 3 reservoir containing a common accumulation of crude
 4 petroleum oil or natural gas, or both, or which are
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 9 license tax, a person, before commencing the drilling of an
 10 oil or gas well or stratigraphic test well or core hole,
 11 shall secure from the board a drilling permit and shall pay
 12 to the board therefor the following amounts: for each well
 13 whose estimated depth is ~~thirty-five-hundred-(3,500)~~ feet or
 14 less, ~~twenty-five--dollars--(\$25)~~; from ~~thirty-five-hundred~~
 15 ~~and--one--(3,501)~~ feet to ~~seven--thousand--(7,000)~~ feet,
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 17 deeper, ~~one-hundred-fifty-dollars--(\$150)~~.

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 19 shall, not later than the last day of each of the calendar
 20 months of February, May, August and November, of each
 21 calendar year, render a true statement to the state
 22 treasurer of the state, and a duplicate thereof to the
 23 board, duly signed and sworn to, of all crude petroleum
 24 produced and marketed by him in this state during the
 25 preceding quarter, and containing such other information as

1 the board may require, and shall accompany the statement
 2 with the payment to the state treasurer of the assessment
 3 provided for in subsection (1) of this section, for the
 4 period covered by the statement. Each producer of natural
 5 gas in the state shall render like statements to the state
 6 treasurer of all natural gas produced and marketed by him in
 7 this state, and shall make payment of the assessment
 8 provided for in subsection (1) of this section, at such
 9 times and for such periods as may be prescribed by rule of
 10 the board. Any producer carrying on business at more than
 11 one ~~(1)~~ place or location in this state may include all
 12 those places of business in one ~~(1)~~ statement. The
 13 assessment imposed herein shall be due at the time the oil
 14 or natural gas is marketed. Oil or natural gas shall be
 15 deemed marketed when it is removed from the property from
 16 which it was produced.

17 (6) An assessment not paid within the time specified
 18 is delinquent, and a penalty of ~~twenty-five percent (25%)~~
 19 thereof shall be added thereto and the whole thereof shall
 20 bear interest at the rate of ~~one percent (1%)~~ per month from
 21 the date of delinquency until paid. Upon request of the
 22 board the attorney general shall commence and prosecute to
 23 final determination in any court of competent jurisdiction
 24 an action at law to collect the same.

25 (7) All money collected under this chapter shall be

1 deposited in the earmarked revenue fund by the state
 2 treasurer of the state, and shall be used for the purpose of
 3 paying all expenses of the board and for no other purpose;
 4 all these moneys shall be used by the board subject to the
 5 approval of the department of administration and biennial
 6 appropriations by the legislature."

-End-