2 INTRODUCED BY Agreen Undertal Line Sweeter

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF PRIVILEGE AND LICENSE TAX ASSESSED TO DIL AND GAS OPERATORS AND PRODUCERS FOR SUPPORT OF THE BOARD UF DIL 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 chaptery 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—borrel—of—crude—petroleum originally—producedy—saved—and—marketed—or—stored—within—the statey—or—exported—from—the—statey—and—on—each—ten—thousand #100000)—cubic—feet—of—natural—gas—producedy—saved—and marketed—or—stored—within—the—statey—or—exported—therefrom the statey—or—exported—therefrom the statey—or—exported—the statey—or—exported—therefrom the statey—or—exported—therefrom

of-twenty-five-(25)-barrels-of-crude-petroleum-per--dayy--or

lessy--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
dayv--an--assessment-not-to-exceed-three-fourths-of-one-cent
(3/4g)-per-barrelt-andv

(c)--On-wells-producingy-saving-and-marketingy-storingy or exportingy-natural-gasy-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-(15g) 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 (15g)--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

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expenses chargeable against the oil and gas conservation fund may require; however, the assessments fixed by the board may not exceed the limits prescribed in this section. The amounts of the assessments shall be a percentage factor (not to exceed one-hundred-percent-f100%)) of the rates set forth in subsections (a), (b), and (c) above, and the same percentage factor shall be applied by the board in fixing the amount of the assessment on each barrel of crude production and each ten--thousand--- 110,000; cubic feet of natural gas mentioned in those subsections. The producers of the crude petroleum and natural gas shall pay the assessments on each barrel of crude petroleum and each tem thousand--fl0,000) cubic feet of natural gas produced for themselves, as well as for others, including royalty holders, and the producers shall be reimbursed for the payments made on crude oil and natural gas produced for others in the same manner as they are reimbursed for net proceeds tax paid on crude petroleum or natural gas produced for others under section 34-6208.

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

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

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

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

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the board may require, and shall accompany the statement 1 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 gas in the state shall render like statements to the state treasurer of all natural gas produced and marketed by him in this state, and shall make payment of the assessment 7 8 provided for in subsection (1) of this section, at such 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 those places of ousiness in one +++ statement. 12 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.

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

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(7) All money collected under this chapter shall be

deposited in the earmarked revenue fund by the state treasurer of the state, and shall be used for the purpose of paying all expenses of the board and for no other purpose; all these moneys shall be used by the board subject to the

6 appropriations by the legislature."

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-End-

approval of the department of administration and biennial

STATE OF MONTANA

FISCAL NOTE

REQUEST	NΩ	276-77
IILUOLOI	110.	

Form BD-15

n compliance with a written request received <u>January 28</u> , 19 77, there is hereby submitted a Fiscal Note
or 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

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

PREPARED BY DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _ 🕰 - , - , 7

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. 276-77
AMENDED

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Form BD

In compliance with a written request received <u>February 3</u> , 19 77, there is hereby submitted a Fiscal Note for <u>House Bill 540</u> 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	FY 78	<u>FY 79</u>
Privilege tax on oil & gas under current law	\$238,000	\$230,000
Privilege tax on oil & gas under proposed law	\$567,000	\$286,000
TOTAL INCREASE	\$329,000	\$ 56,000

PREPARED BY DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2 - 3 - 77

45th Legislature Hb 0540/02 HB Q540/02

Approved by Committee on Natural Resources

SECOND READING

1	HOUSE BILL NO. 540
2	INTRODUCED BY AAGESON, UNDERDAL, JOHNSTON, SIVERTSEN, HIRSCH
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF
5	PRIVILEGE AND LICENSE TAX ASSESSED TO DIL 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	<pre>M60-145. Privilege and license tax quarterly</pre>
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
lo	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 theamountssetforthinthe
19	followingscheduleoneachbarrelofcrudepetroleum
20	originally-producedy-saved-and-marketed-or-stored-within-the
21	statey-or-exported-from-the-statey-and-on-each-tenthousand
22	(±0+000)cab÷cfeetofmatura)gasproducedy-saved-and
23	marketed-or-stored-within-the-stateor-exportedtherefrom+
24	(a)Bnleases-on-which-wells-are-producing-an-average
25	of-twenty-five-(25)-barrels-of-crude-petroleum-perdaysor

t3/8g}-per-parrelt 3 fb)--On-leases-on-which-wells-are-producing-an--average of-more-than-twenty-five-f25t-barrels-of-crude-metroleum-mer dayy--an--assessment-not-to-exceed-three-fourths-of-one-cent t3/4st-per-parrett-andy 7 tc)--Bn-wells-producingy-saving-and-marketingy-storingy 8 or-exportingy-natural-gasy-the-operators-and-producers-shall pay-an-assessment-not-to-exceed-two--and--one-half--f2--1/2+ 10 mills-per-ten-thousand-(10,000)-cubic-feet-of-natural-cas 11 where-said-gas-is-marketed-for-less-than-fifteen-cents-fife+ 12 per-thousand-f1v000}-cumic-feet-and--an--assessment--not--to exceed--five--(5)-mills-per-ten-thousand-(10+000)-cubic-feet 13 14 of-matural-gas-where-said-gas-is-marketed-for-fifteen--cents ti5g)--or--more-per-thousand-(iv000)-cubic-feet= 2/10 of 1% 15 of the market value of each barrel of crude petroleum 16 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 hearing, fix the amount of the assessments and may, from 23 time to time, without prior notice or hearing, reduce or 25 increase the amount thereof as, in its judgment, the

lessy--an-assessment-not-to-exceed-three-eighths-of-one-cent

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HB 0540/02 HB 0540/02

expenses chargeable against the oil and gas conservation fund may require; however, the assessments fixed by the board may not exceed the limits prescribed in this section. The amounts of the assessments shall be a percentage factor (not to exceed one-hundred-percent-f100%)) of the rates set forth in subsections-faty-fbty-and-fct SUBSECTION (1) above, and the same percentage factor shall be applied by the board in fixing the amount of the assessment on each parrel of crude production and each ten-thousand-fl0.000% cubic feet of natural gas mentioned in those subsections. The producers of the crude petroleum and natural gas shall pay the assessments on each barrel of crude petroleum and each tem thousand--{10:000} cubic feet of natural gas produced for themselves, as well as for others, including royalty holders, and the producers shall be reimbursed for the payments made on crude oil and natural gas produced for others in the same manner as they are reimbursed for net proceeds tax paid on crude petroleum or natural gas produced for others under section 84-6206.

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

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

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

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

- 1 the board may require, and shall accompany the statement with the payment to the state treasurer of the assessment 2 provided for in subsection (1) of this section, for the period covered by the statement. Each producer of natural gas in the state shall render like statements to the state 5 treasurer of all natural gas produced and marketed by him in 6 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 one +++ place or location in this state may include all 11 12 those places of business in one {++ statement. assessment imposed herein shall be due at the time the oil 13 14 or natural gas is marketed. Oil or natural gas shall be 15 deemed marketed when it is removed from the property from 15 which it was produced.
 - (6) An assessment not paid within the time specified is delinquent, and a penalty of twenty-five-percent-(25%) thereof shall be added thereto and the whole thereof shall bear interest at the rate of one-percent-(1%) per month from the date of delinquency until paid. Upon request of the board the attorney general shall commence and prosecute to final determination in any court of competent jurisdiction an action at law to collect the same.

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

- 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-

45th Legislature Hb 0540/02 HB 0540/02

2	INTRODUCED BY AAGESON, UNDERDAL, JOHNSTON, SIVERTSEN, HIRSCH
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE RATE OF
5	PRIVILEGE AND LICENSE TAX ASSESSED TO DIL AND GAS OPERATORS
6	AND PRODUCERS FOR SUPPORT OF THE BOARD OF GIL AND GAS
7	CONSERVATION; AMENDING SECTION 60-145, R.C.M. 1947."
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0	Section 1. Section 60-145, R.C.M. 1947, is amended to
1	read as follows:
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5	funds for defraying the expenses of the operation and
5	enforcement of this chapter, and expenses of the board, the
7	operators and producers of oil and gas shall pay an
8	assessment not to exceed theamountssetforthinthe
9	followingscheduleoneachbarrelofcrudepetroleum
0	originally-producedy-saved-and-marketed-or-stored-within-the
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2	tl0+000}cubicfeetofmaturalgasproducedy-saved-and
3	marketed-or-stored-within-the-statev-or-exportedtherefrom*
4	{a}8nleases-on-which-wells-are-producing-an-average
5	of-twenty-five-(25)-barrels-of-crude-petroleum-perday+-or

HOUSE BILL NO. 540

	ressyan-assessment-not-to-exceed-three-ergnths-br-one-cent
2	t3/8s}-per-barrel;
3	fb}8n-łedses-on-which-wells-sre-producing-anaverage
4	of-more-than-twenty-five-{25}-barrels-of-crude-petroleum-per
5	dayvanassessment-not-to-exceed-three-fourths-of-one-cent
6	t3/4e;-per-barret;-andv
7	<pre>fc)8n-wells-producingy-saving-and-marketingy-storingy</pre>
8	or-exportingy-natural-gasy-the-operators-and-producers-shall
9	pay-an-assessment-not-to-exceed-twoandone-half(21/2)
10	millspertenthousand-(10v000)-cubic-feet-of-natural-gas
11	where-said-gas-is-marketed-for-less-than-fifteen-cents-(15g)
12	per-thousand-{tv000}-cubic-feet-andanassessmentnotto
13	exceedfive{5}-mills-per-ten-thousand-{10+000}-cubic-feet
14	of-natural-gas-where-said-gas-is-marketed-for-fifteencents
15	{t5g}ormore-per-thousand-{tr000}-cubic-feetv 2/10_of_1%
16	of the market value of each barrel of crude petroleum
17	originally_produceds_saved_and_marketeds_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
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22	(2) The board snall 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

no 0540/02 HB 0540/02

expenses chargeable against the oil and gas conservation 1 2 fund may require; however, the assessments fixed by the board may not exceed the limits prescribed in this section. 3 The amounts of the assessments shall be a percentage factor 5 (not to exceed one-hundred-percent-{100%}) of the rates set forth in subsections-(a)y-(b)y-and-(c) SUBSECTION (1) above, 7 and the same percentage factor shall be applied by the board 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--f10,000; 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 1 ń 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.

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

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this section, leases owned or operated by one <code>{\frac{1}{2}}\$ lessee

which in whole or in part cover or affect an underground

reservoir containing a common accumulation of Crude

petroleum oil or natural gas, or both, or which are

encompassed within or affected by one <code>{\frac{1}{2}}\$ particular unit</code>

agreement shall be considered as one <code>{\frac{1}{2}}\$ lease relative to</code>

payments to be made under this section.</code>

(4) In addition to the above-mentioned privilege and license tax, a person, before commencing the drilling of an oil or gas well or stratigraphic test well or core nole, shall secure from the board a drilling permit and shall pay to the board therefor the following amounts: for each well whose estimated depth is thirty-five-hundred-(3.500) feet or less, twenty-five-dollars-(\$25); from thirty-five-hundred end-one-(3.501) feet to seven-thousand-(7,000) feet, seventy-five-dollars-(\$75); seven-thousand-(7,000) feet and deeper, one-hundred-fifty-dollars-(\$150).

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

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HB 0540/02

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

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(7) All money collected under this chapter shall be

deposited in the earmarked revenue fund by the state treasurer of the state; and shall be used for the purpose of

3 paying all expenses of the board and for no other purpose;

poying and expenses of the Board and for no other purpose

5 approval of the department of administration and biennial

6 appropriations by the legislature."

-End-

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-5- HB 540

-6- HB 540

45th Legislature H8 0540/03 HB 0540/03

ì	HOUSE BILL NO. 540
2	INTRODUCED BY AAGESON, UNDERDAL: JOHNSTON, SIVERTSEN, HIRSCH
3	
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18	assessment not to exceed the amounts set forth in the
19	followingscheduleoneachbarrelofcrudebetroleum
20	originally-producedy-seved-and-marketed-or-stored-within-the
21	state,-or-exported-from-the-state,-and-on-each-tenthousand
22	(10,000)cubicfeetofnaturalgasoroducedy-saved-and
23	marketed-or-stored-within-the-state,-or-exportedtherefrom:
24	(a)Onleases-on-which-wells-are-producing-nn-averane
26	of Augustur-five 1251 hasseleraf-soude-patrolous-pagdayar

ı	+essyan-assessment-not-to-exceed-three-eighths-of-one-cen
2	t3/0[}-per-barrel;
3	{b}On-leases-on-which-wells-are-producing-onaverage
4	of-more-than-twenty-five-(25)-barrels-of-crude-petroleum-pe
5	dayyanassessment-not-to-exceed-three-fourths-af-one-cent
6	(3/4[)-per-barrel;-andv
7	<pre>{e}8n-wells-producingy-saving-ond-marketingy-storing</pre>
8	or-exportingy-natural-gasy-the-operators-and-producers-shall
9	pay-an-assessment-not-to-exceed-twoandone-half(21/2)
10	millspertenthousand-(10v000)-cubic-feet-of-natural-gas
11	where-soid-gas-is-marketed-for-less-than-fifteen-cents-(15)
12	per-tnousend-(1y888)-cubic-feet-and-an-assessmentnotto
13	exceedfive(5)-mills-per-ten-thousand-(10,000)-cubic-feet
14	of-natural-gas-where-said-gas-is-marketed-for-fifteencents
15	(15[)ormore-per-thousand (1,000)-cubic-feet= 2/10 of 13
16	of the warket 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 or
14	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	nearing, 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 ase in its judgments the

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expenses chargeable against the oil and has conservation 1 fund may require; however, the assessments fixed by the 2 3 board may not exceed the limits prescribed in this section. The amounts of the assessments shall be a percentage factor 4 (not to exceed one-hundred-percent-#100%)) of the rates set 5 forth in subsections-(e)y-(b)y-and-(c) SUBSECTION (11 above, b and the same percentage factor shall be applied by the board 7 in fixing the amount of the assessment on each barrel of 8 9 crude production and each ten-thousand-f10.000; cubic feet 10 of natural gas mentioned in those subsections. The producers of the crude petroleum and natural gas shall pay the 11 12 assessments on each barrel of crude petroleum and each ten thousand--f10,000t cubic feet of natural gas produced for 13 themselves, as well as for others, including royalty 14 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.

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

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

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

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

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- 1 the board may require, and shall accompany the statement 5 with the payment to the state treasurer of the assessment 3 provided for in subsection (1) of this section, for the period covered by the statement. Each producer of natural 5 gas in the state shall render like statements to the state treasurer of all natural gas produced and marketed by him in this state, and shall make payment of the assessment 4 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 fly place or location in this state may include all those places of business in one +++ statement. 12 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 gate 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 14 an action at law to collect the same.
- (7) All money collected under this chapter shall be

deposited in the earmarked revenue fund by the state treasurer of the state, and shall be used for the purpose of paying all expenses of the board and for no other purpose; all these moneys shall be used by the board subject to the approval of the department of administration and biennial

appropriations by the legislature."

-End-