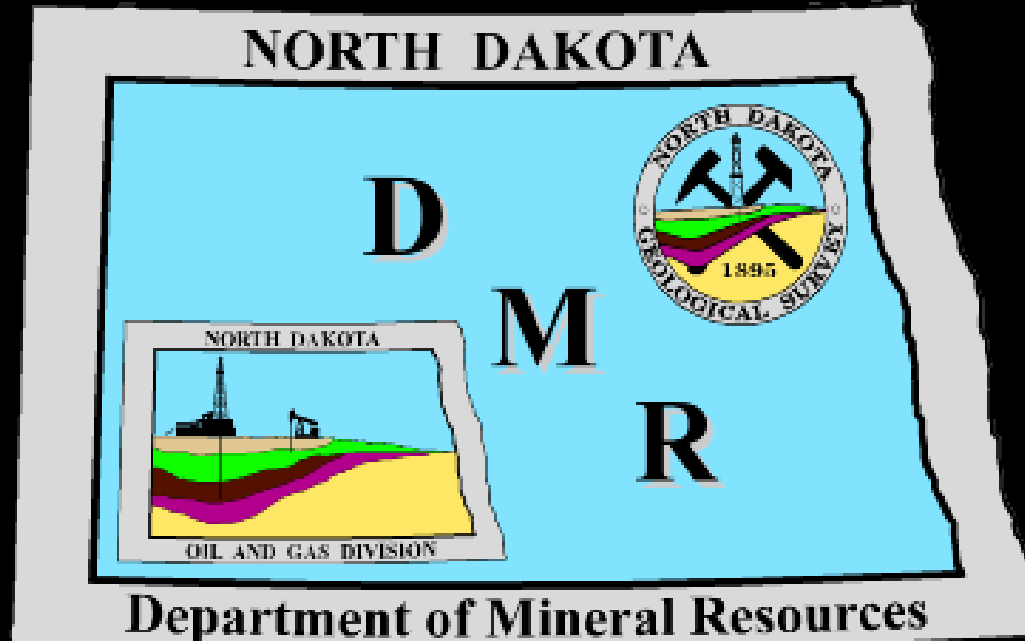


# North Dakota Department of Mineral Resources



*<http://www.oilgas.nd.gov>*

*<http://www.state.nd.us/ndgs>*

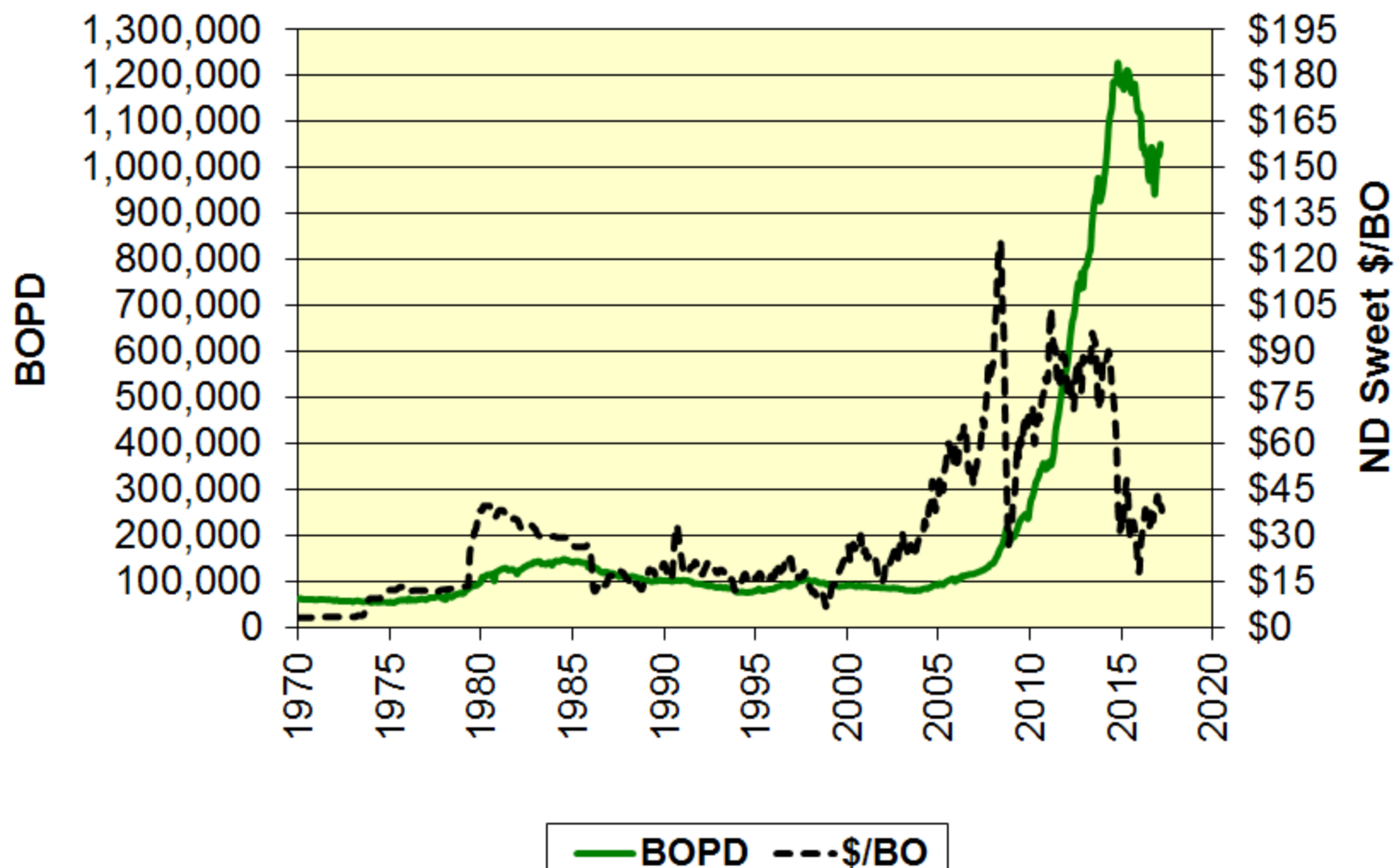
*600 East Boulevard Ave. - Dept 405*

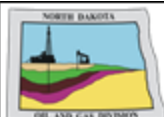
*Bismarck, ND 58505-0840*

*(701) 328-8020      (701) 328-8000*

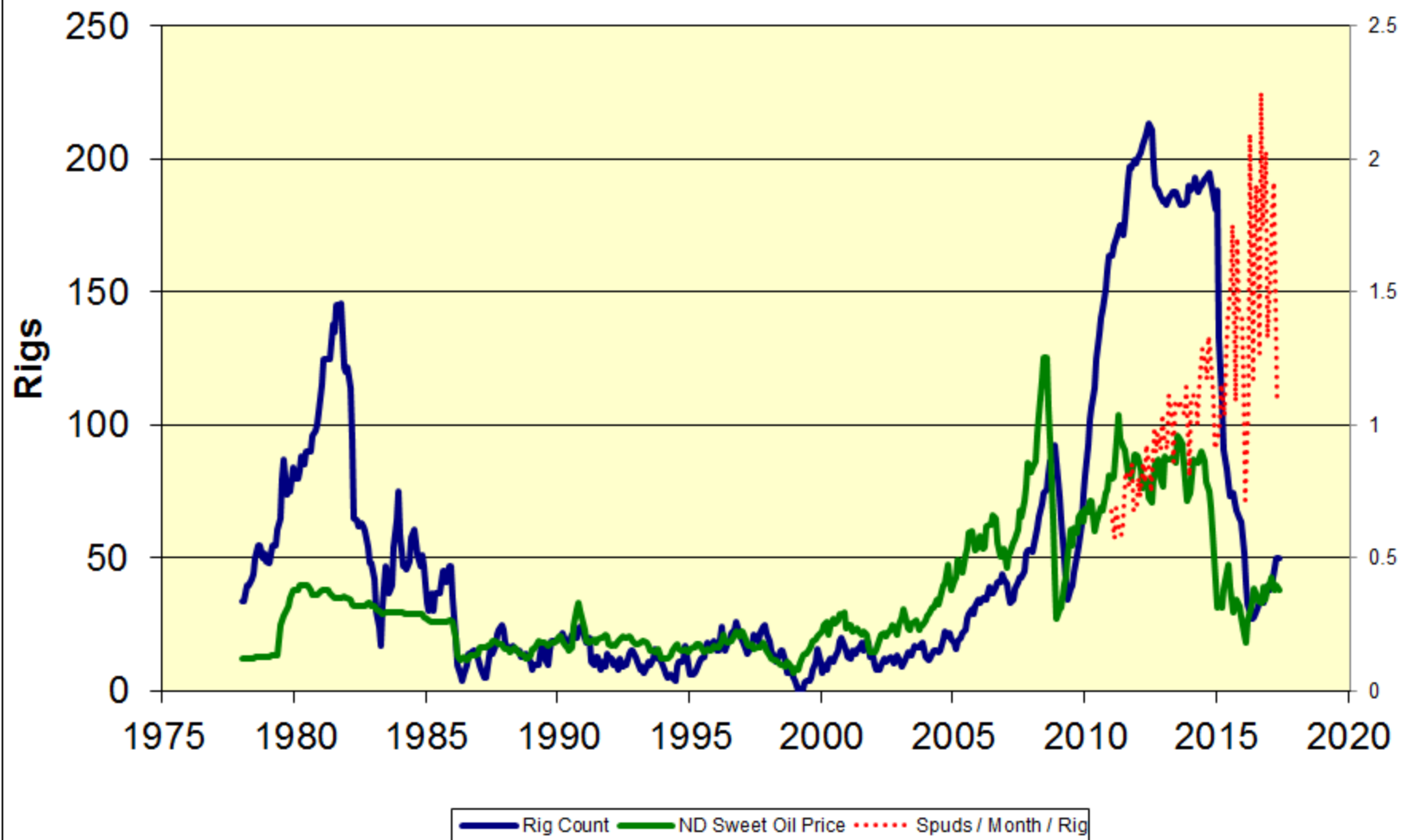


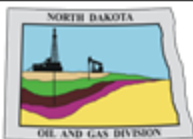
## North Dakota Daily Oil Produced and Price





## North Dakota Average Monthly Rig Count





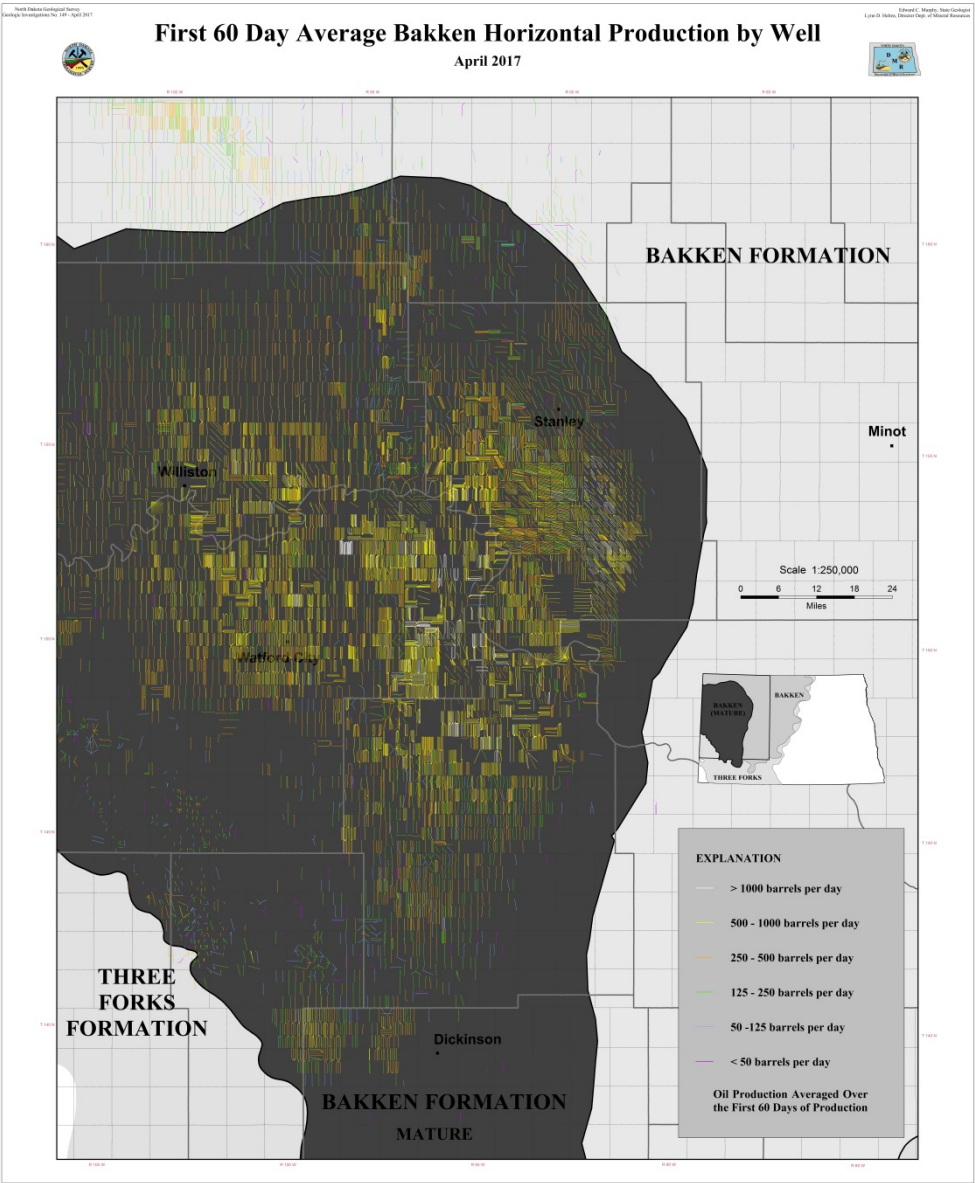
## North Dakota Idle Wells



Wells  
13,693 active  
    1,971 conventional  
    11,746 Bakken/Three Forks  
2,296 inactive  
    +\$40 for 90 days  
830 waiting on completion  
    +\$50 for 90 days  
1,916 permitted  
    +\$60 for 90 days  
    NYMEX 2024+  
13,141 increased density approved 6/27/17  
31,876 total

55,000-65,000 estimated final

9,782 reclaimed and bond released  
1,017 reclamation in progress



**43-02-06-01. ROYALTY OWNER INFORMATION STATEMENT.** Whenever payment is made for oil or gas production to an interest owner, whether pursuant to a division order, lease, servitude, or other agreement, all of the following information must be included on the check stub or on an attachment to the form of payment, unless the information is otherwise provided on a regular monthly basis:

1. The lease, property, or well name or any lease, property, or well identification number used to identify the lease, property, or well; provided, that if a lease, property, or well identification number is used the royalty owner must initially be provided with the lease, property, or well name to which the lease, property, or well name refers.
2. The month and year during which sales occurred for which payment is being made.
3. One hundred percent of the corrected volume of oil, regardless of ownership, which is sold measured in barrels, and one hundred percent of the volume of either wet or dry gas, regardless of ownership, which is sold or removed from the premises for the purpose of sale, or sale of its contents and residue, measured in thousand cubic feet.

## 43-02-06-01. ROYALTY OWNER INFORMATION STATEMENT.

### 4. Price.

a. Oil. Weighted average price per barrel received by the producer for all oil sold during the period for which payment is made. The price would be the net price received by the producer after purchaser's deductions. **The purchaser's deductions are to be explained pursuant to subsection 6.**

b. Gas. Weighted average price per thousand cubic feet [28.32 cubic meters] received by the producer for all gas sold during the period for which payment is made. The price would be the net price received by the producer after purchaser's deductions. The purchaser's deductions are to be explained pursuant to subsection 6.

5. Total amount of state severance and other production taxes.

6. **Any other deductions or adjustments. Those not explained on the statement or in a separate mailing must be explained to the royalty owner upon inquiry to the disburser.**

7. Net value of total sales after deductions.

8. Owner's interest in sales from the lease, property, or well expressed as a decimal.

9. Owner's share of the total value of sales prior to any tax deductions.

10. Owner's share of sales value less deductions.

11. An address where additional information may be obtained and any questions answered. If information is requested by certified mail, the answer must be mailed by certified mail within thirty days of receipt of the request.

History: Effective November 1, 1983; amended effective April 1, 1984; November 1, 1987; May 1, 1992.

**43-02-06-02. ANNUAL WINDFALL PROFITS TAX INFORMATION STATEMENT.** Repealed effective May 1, 1992.

**43-02-06-03. ANNUAL STORED GAS INFORMATION STATEMENT.**

**43-02-06-04. BOOKS AND RECORDS TO BE KEPT TO SUBSTANTIATE REPORTS.**

General Authority Law Implemented NDCC 38-08-06.3

**38-08-06.3. INFORMATION STATEMENT TO ACCOMPANY PAYMENT TO ROYALTY OWNER - PENALTY.** Any person who makes a payment to an owner of a royalty interest in land in this state for the purchase of oil or gas produced from that royalty interest shall provide with the payment to the royalty owner an information statement that will allow the royalty owner to clearly identify the amount of oil or gas sold and the amount and purpose of each deduction made from the gross amount due. The statement must be on forms approved by the industrial commission and contain the information that the commission prescribes by rule. A person who fails to comply with the requirements of this section is guilty of a class B misdemeanor.





The common terminology for oil sales point and valuation is used by the tax department as follows:

#### 57-51-02.3. Valuation of oil - Alternatives - Exceptions.

The gross value at the well for oil is the price paid for the oil under an arm's-length contract between the producer and the purchaser less, when applicable, transportation costs associated with moving the oil from the point of production to the point of sale under the contract. In the absence of an arm's-length contract, the gross value at the well for oil is established by the first applicable of the following methods:

1. The price paid under an arm's-length contract, to which the person paying the tax is a party, for the purchase or sale of oil of like kind, character, and quality, in the same field or, if none, in a nearby field, less, when applicable, transportation costs associated with moving the oil from the point of production to the point of sale.
2. The price paid under an arm's-length contract, between parties other than the person paying the tax, for the purchase or sale of oil of like kind, character, and quality, in the same field or, if none, in a nearby field, less, when applicable, transportation costs associated with moving the oil from the point of production to the point of sale.
3. The value determined by consideration of the posted price relevant in valuing oil of like kind, character, and quality, in the same field or, if none, in a nearby field, less, when applicable, adjustments for transportation costs to reflect the differential between the value at the point of production and the value at the location reflected in the posted price.

The common terminology for natural gas sales point and valuation is from a standard producer 88 form as follows:

The gross value of gas and casinghead gas computed at the mouth of the well from the market value of the natural gas and natural gas liquids less the cost of treating the gas and casinghead gas to render it marketable and the cost of transportation to the market.