

Oil and Gas Research Fund
 Financial Statement
 2005-2007 Biennium
 November 20, 2006 OGRC Meeting

	<u>Cash Balance</u>
July 1, 2005 Balance	\$ 20,061.24
Revenues through October 31, 2006	\$1,301,100.00
Expenditures through October 31, 2006	<u>\$ 325,664.80</u>
	\$ 995,496.44
Outstanding Administrative Commitments (Est.)	\$ 20,734.00
Outstanding Project Commitments	<u>\$ 673,620.00</u>
Balance	\$ 301,142.44

Oil and Gas Research Fund
 Continuing Appropriation Authority
 2005-2007 Biennium

Balance July 1, 2005	\$ 20,061.24
Income from Project Applications (Estimated)	\$ 1,800.00
Revenues beginning October 1, 2005 through June 30, 2007	<u>\$1,300,000.00</u>
	\$1,321,861.24

57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.

There is established a special fund in the state treasury to be known as the oil and gas research fund. In the 2003-05 biennium, the first fifty thousand dollars of revenue from the state's share of the oil and gas production tax and oil extraction tax must be deposited into a special fund known as the oil and gas research fund. In the 2003-05 biennium, if actual revenues for the 2001-03 biennium from the state general fund share of the oil and gas production tax and oil extraction tax exceeded seventy-one million sixty-four thousand dollars, the excess up to five hundred thousand dollars must be deposited in a special fund known as the oil and gas research fund, as provided in this section. **After the 2003-05 biennium, two percent of the state's share of the oil and gas gross production tax and oil extraction tax revenues that are deposited into the state general fund, up to one million three hundred thousand dollars per biennium, must be deposited into the oil and gas research fund. The state treasurer shall transfer into the oil and gas research fund two percent of the state's share of the oil and gas production tax and the oil extraction tax revenues that have been deposited into the general fund for the previous three months. All money deposited in the oil and gas research fund is appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6.**

The Tax Department has forecasted the revenues into the Oil and Gas Research Fund to be between \$300,000 and \$360,000 each quarter. An estimate is as follows:

		Actual
For the first quarter of the biennium (ending September 30, 2005)	\$340,000	\$461,576
For the second quarter of the biennium (ending December 31, 2005)	\$340,000	\$551,772
For the third quarter of the biennium (ending March 31, 2006)	\$340,000	<u>\$286,652</u>
For the fourth quarter of the biennium (ending June 30, 2006)	\$280,000	
		\$1,300,000

Oil and Gas Research Program Budget Allocation/Applications

Priorities	%	2005-2007 Biennium	Grant Round 4 06/01/05	Grant Round 5 9/1/2005*	Grant Round 6 02/01/06	Grant Round 7 03/01/06	Grant Round 8 04/01/06	Grant Round 10 11/1/2006**
Research	72.50%	\$957,000.00	\$0.00	\$ 520,000.00	\$ 186,120.00	\$0.00	\$50,500.00	\$270,000.00
Education	20.00%	\$264,000.00	\$170,540.00	\$ 51,445.00	\$0.00	\$0.00	\$ 8,000.00	\$0.00
Subtotal	92.50%	\$1,221,000.00	\$170,540.00	\$ 571,445.00	\$ 186,120.00	\$0.00	\$ 58,500.00	\$270,000.00
Administration***	7.50%	\$99,000.00		\$ 2,308.00	\$ 945.00	\$ 7,500.00	\$21,500.00	\$50,000.00
Total	100.00%	\$1,320,000.00						

*This includes funding for the Plains CO2 Reduction Partnership in the amount of \$500,000 to be disbursed over 4 years. Of this amount \$220,000 is scheduled to be disbursed during the 05-07 biennium and \$280,000 is scheduled to be disbursed over the 07-09 biennium.

The Council is in receipt of three applications for Grant Round 10. I have allocated the two Marathon Oil Company applications to **Research and the Petroleum Council application to **Administration**.

***Includes a commitment for technical advisory services and estimated OGRP costs. (A total of \$24,000 for technical advisory services.)

Summary of Available Funding prior to consideration of Grant Round 10 applications

<u>Priorities</u>	<u>Beginning Balance</u>	<u>Remaining \$'s Uncommitted</u>
Research	\$ 957,000	\$200,380
Education	\$ 264,000	\$ 34,015
Administration	<u>\$ 99,000</u>	<u>\$ 66,747</u>
Total	\$1,320,000	\$301,142