North Dakota Reporting Instructions Oil and Gas Taxes

May 2000

North Dakota Office of State Tax Commissioner
600 E. Boulevard Avenue
Bismarck, North Dakota 58505-0599

TO ALL OIL AND GAS FILERS:

This booklet contains Instructions for the following:

- ***Form T-12 Oil Reporting***
- ***Form T-13 Gas Reporting***
- ***Condensate Reporting***
- ***Injected Oil Reporting***
- ***Reclaimed Oil Reporting***
- ***Volume Gains Reporting***
- ***Enhanced Oil Recovery Reporting***

Please read the instructions carefully to avoid errors in completing the reports. If you have questions that the instructions do not answer, please write to the Office of State Tax Commissioner at the above address or call 1-701-328-2705. For the speech and hearing impaired use TTY Relay North Dakota 1-800-366-6888.

Sincerely,

Rick Clayburgh

Rick Clayburgh
Tax Commissioner

Table of Contents

General Reporting Instructions
For
Oil and Gas Taxes

WHO MUST FILE

Producer/Operator/In-Kind Interest (collectively producer):

The producer is required to file a monthly oil and/or gas report on a producing property unless they have been granted a waiver of the requirement to file by the Tax Commissioner (Commissioner). To request and be granted a waiver, a producer must complete a waiver form and submit it to the Commissioner for approval (see Exhibits). If a producer has been granted a waiver, the producer agrees that:

- The purchaser/processor (collectively purchaser) will report and pay all tax due on forms prescribed by the Commissioner.
- All tax due on production and sales of oil or gas, not subject to the purchaser's monthly reporting, must be reported and paid by the producer.
- Production and sales information must be remitted by the producer on a timely basis to the North Dakota Industrial Commission (N.D.I.C.).
- The producer must continue to maintain production and sales records for inspection by the Commissioner and must respond in a timely manner to all requests for information.
- The purchaser's reports filed for the producer's wells will determine the statutory dates within which the Commissioner must assess additional tax found due or the purchaser must file for a refund of a tax overpayment (see Statute of Limitations).
- The producer will provide the producer's valid Federal Identification Number to the purchaser for use in the reporting of purchased interests.

The operator of a well is required to submit Schedule T-82 to notify the Commissioner when production is taken in-kind from a well. An updated Schedule T-82 needs to be submitted when take-in-kind ownership or percentages change (see Exhibits).

Purchaser:

The purchaser is required to file a monthly oil and/or gas report for purchases from a producing property.

For processed gas, the purchaser of gas delivered to a processing plant must file a monthly report. For unprocessed gas, the pipeline company into whose possession the gas is delivered must file a monthly report.

A purchaser, who recovers condensate from a gas stream after the custody transfer meter, but before processing at a gas plant, must file a monthly oil report. Instructions for reporting are included in this booklet.

Oil Reclaimer:

Entities selling reclaimed oil must file a monthly oil report. Instructions for reporting are included in this booklet.

Oil Transporter:

Operators of oil pipelines must file an annual volume gain and loss report. Instructions for reporting are included in this booklet.

HOW TO FILE

Pursuant to North Dakota Century Code (N.D.C.C.) § 57-51-06, statements must be filed on forms prescribed by the Commissioner. All tax information for oil activities will be submitted on the T-12 Oil Report and gas activities will be submitted on the T-13 Gas Report (see Exhibits). Both reports consist of the following:

- A coversheet.
- One or more worksheets showing individual well entries.

To facilitate reporting, the Commissioner will accept reports filed using the following options:

- A producer may submit a report using the printed forms provided by the Commissioner. A computerized report conforming to the format of the printed forms is also available from the Commissioner. The producer also has the option to file forms electronically.

- A purchaser will be required to file the report by electronic data interchange or other electronic media.

For more information on forms or electronic filing methods, contact the Commissioner at 701-328-3657, e-mail at **oiltax@nd.gov,** or visit our website, **www.nd.gov/tax**.

FILING DUE DATE

The monthly T-12 Oil Report and payment of gross production and oil extraction tax are due on or before the twenty-fifth day of the month following the month of production.

The monthly T-13 Gas Report and payment of gross production tax are due on or before the fifteenth day of the second month following the month of production.

NOTE: If the due date for filing a report and paying the tax falls on a Saturday, Sunday, or legal state holiday, the report and payment are due the next business day.

A report or payment is delinquent if it is postmarked after the due date. Reports filed electronically are delinquent if transmitted after the due date. Electronic payments are considered delinquent if a request for immediate disbursement of funds is not submitted to the bank on or before the due date of the return.

REMITTANCE OF TAX

The purchaser is primarily responsible for submitting the T-12 Oil Report and remitting tax due on all oil sold at the time of production. The Commissioner may accept payment of the tax from the producer, but failure of the producer to pay the tax will not relieve the purchaser of liability for the tax.

The producer must submit a T-12 Oil Report and remit the tax on all oil not sold at the well, including any oil used, lost, stolen, or otherwise unaccounted for after it has been produced.

The purchaser must submit the T-13 Gas Report and remit the tax on all gas delivered to a processing plant net of gas or gas products physically returned to the lease.

The producer must submit a T-13 Gas Report and remit the tax on any part of the following categories that are not exempt from the tax:

- Wet gas flared or used on the lease.
- Wet gas delivered to a purchaser and physically returned to the lease prior to processing at a gas plant.
- Residue gas and liquid products physically returned to the lease from a gas plant.
- Unprocessed pipeline quality wet gas that is delivered directly into a pipeline system.

The tax remitted with a monthly report must be equal to the tax due for that report less any credits applied. Estimated payments will not be accepted.

N.D.C.C. § 57-51-19.1 states that a remittance of tax need not be made and any assessment or collection of tax may not be made unless the amount is at least $5.00, including penalties and interest. The $5.00 is based on the calculated amount due on a monthly report coversheet, **not** on each individual well entry.

ELECTRONIC FUNDS TRANSFER

An electronic funds transfer (EFT) program is available for Automated Clearing House (ACH) credits. An addenda record, which provides processing information, must be provided with an ACH credit payment. The addenda record will include the taxpayer identification number, tax type code, production period, form type, and amount. A separate addenda record must be submitted for each report. See the Exhibits for the Tax Payment (TXP) Banking Convention layout required for the addenda record.

The American Bankers Association (ABA) bank transit routing number is “091300285” and the account number to which funds should be transferred is “0910231.”

NOTE: It is required that you contact your banking institution to send a prenotification to test the accuracy of the TXP format before you send an actual tax payment (i.e., $0.00 ACH credit transaction).

Check the block on the T-12 Oil Report and the T-13 Gas Report coversheet to indicate that a payment will be submitted electronically.

EXTENSION OF TIME FOR FILING A REPORT OR PAYING THE TAX

Pursuant to North Dakota Administrative Code (N.D.A.C.) § 81-09-02-05:

- A request may be submitted to extend the due date for payment of the tax by a maximum of fifteen days. A request may also be submitted to extend the due date for filing a report. However, if tax is due with the report, the due date can only be extended by a maximum of fifteen days.

- An extension may be requested either verbally or in writing. A verbal request must be made on or before the due date and a written request must be received by the Commissioner on or before the due date. Both a verbal and written request must include an explanation as to why the extension of time is needed.

- If an extension is approved, extension interest must be paid on the tax due at a rate of 12% per annum. The daily interest rate is .000333 and interest is computed from the original due date of the report to the date the tax is paid, which is the date the payment is mailed.

The Commissioner will bill extension interest that is not paid with the report.

PROCEDURE FOR CLAIMING A TAX CREDIT

Any person or entity required to file a tax or information report is subject to a penalty of $25.00 per day for each well or unit that is not reported. This penalty is in addition to the 5% penalty imposed on delinquent tax payments.

PENALTY AND INTEREST ON DELINQUENT TAX

The penalty on delinquent tax is 5% of the tax or $5.00 whichever is greater. Penalty does not apply to delinquent tax reported on an amended report if both of the following conditions are met:

- 90% of the total tax liability accumulated on the original report and all amended reports was paid with the taxpayer's original report, and
- The amended report is filed, and all delinquent tax is paid, within sixty days of the due date of the original report.

Interest is imposed on delinquent tax at a rate of 1% per month for each calendar month or any part of a month in which the tax remains unpaid. Interest is not imposed in the month the delinquent tax became due. Penalty and interest is computed as follows:

Coversheets:

- Penalty and interest rates are applied separately to delinquent gross production and oil extraction tax for each production period reported.
- Gross production or oil extraction tax underpayments and overpayments for different production periods **will not** be combined or offset to calculate penalty and interest.
- Gross production or oil extraction tax underpayments and overpayments reported on separate coversheets for the same production period **will not** be offset.

Worksheets:

- Gross production or oil extraction tax underpayments and overpayments for individual well, group, or unit entries on a single coversheet **will be** offset within the same tax type and the penalty and interest computed on the net delinquent tax.

Penalty and interest not paid with the report will be billed. The Commissioner may grant a waiver of penalty and interest on either a verbal or written request in accordance with N.D.A.C. §§ 81-01.1-01-09 and 81-01.1-01-10.

AMENDED REPORTS

Pursuant to N.D.A.C. § 81-09-02-04, if a taxpayer is required to file an amended report, the amended report is due on the date set by the Commissioner. The amended report is delinquent if the postmark/transmission date is after the due date.

Amended data for prior periods will not be accepted on an original report, it must be submitted on an amended report. **Original entries will be replaced with those reported on amended reports; no back-out entries are required.** The API, group, or unit number **must** include the same sequence number as that of the previously filed entry. A sequence number is required if there is more than one entry for an API, group, or unit number in order for amended reports to be submitted and matched correctly.

Volume and value not previously reported for an API, group, or unit number must be submitted under an "original" coversheet.

The Commissioner will provide notification of approved tax credits. The Commissioner will maintain a balance of processed tax credits that can be applied to future tax due amounts. Amended reports claiming tax credits need to be filed in a timely manner to insure that the tax credit is processed and available before being claimed on a tax due report. **The Commissioner does not have the authority to pay interest on a tax credit.**

Check the “credit” block on the coversheet and submit the amended report to the Commissioner within the time period prescribed by statute to claim a credit (see Statute of Limitations).

PROCEDURE FOR CLAIMING A TAX REFUND

N.D.C.C. § 57-51-19.1 states that the Commissioner may not issue a refund to a taxpayer unless the amount to be refunded, including interest, is at least $5.00. This applies only to the total gross production tax or total oil extraction tax due on a coversheet and not to each individual lease entry. When either a gross production or oil extraction tax refund total is over $5.00, both tax type refunds will be issued even if one tax type refund total is below $5.00. If both tax type refunds are below $5.00, no refund will be issued.

Refund interest accrues from sixty days after the due date of the report, the date the report was filed, or the date the tax was fully paid, whichever comes later, through the date the refund is mailed to the taxpayer.

Check the “refund” block on the coversheet and submit the amended report to the Commissioner within the time period prescribed by statute to claim a refund (see Statute of Limitations).

NOTICES OF ASSESSMENT AND CREDIT OR REFUND DENIALS

The procedures and time requirements to be followed by the Commissioner for issuing a notice of assessment, or notice of credit or refund denial, and the appeal process to be used by a taxpayer are provided for by N.D.A.C. §§ 81-09-02-02 and 81-09-02-03. Additional information is also available in the North Dakota Taxpayer Bill of Rights.

STATUTE OF LIMITATIONS

N.D.C.C. §§ 57-51-09 and 57-51-19 state that the time to assess additional tax or file a claim for credit or refund is three years after the due date of the original return or three years after the original return is filed, whichever period expires later. Amended returns extend the assessment or refund period for two years after the amended return is filed; however, this does not limit or restrict other time periods prescribed by statute. If there is a change in tax liability on any report by an amount in excess of 25% of the amount of tax liability on a report, a claim may be filed, or a notice issued, within six years after the due date of the report or six years after the report was filed, whichever period expires later.

18-MONTH CERTIFICATION REQUIREMENT

To receive an oil extraction tax exemption or tax rate reduction from the first day of eligibility, N.D.C.C. § 57-51.1-03.1 requires that

If the N.D.I.C. certification is not submitted to the Commissioner within the 18-month period specified, the tax exemption or rate reduction does not apply for the production periods for which the certification is not on file. When the certification is submitted to the Commissioner after the 18-month period, the tax exemption or rate reduction applies to prospective periods only and is effective the first day of the month in which the certification is received by the Commissioner.

T-12 COVERSHEET INSTRUCTIONS

Original or Amended Report:

- Check only one.
- No amended entries for prior reporting periods may be reported on an original monthly report.
- Individual T-12 coversheets and worksheets must be submitted for each monthly period being reported. Do not combine months on the same report.

Producer or Purchaser Report:

- Check only one.

Year/Month: Enter numerals, e.g. 200007 for July 2000.

Federal I.D. Number: Enter nine-digit Federal I.D. number.

Name, Address, and Telephone Number: Enter company name and address (including a nine-digit zip code). Enter telephone number of individual completing report.

Line 1. **Gross Production Tax Paid with Report:** Total of the Block 8 entries on the T-12 worksheets (round to two decimal places).

Line 2. **Penalty on Gross Production Tax:** N.D.C.C. § 57-51-10 provides that a penalty of $5.00 or 5% of the tax due, whichever is greater, is imposed on delinquent oil taxes due. Penalty will not be imposed if all of the following conditions are met:

- The original report was filed by the due date.
- The tax reported and paid on the original report was 90% or more of the total tax due for the month.
- An amended monthly report is filed within sixty days of the due date of the original report.

Line 3. **Interest on Late Gross Production Tax:** N.D.C.C. § 57-51-10 provides for the payment of interest on all late payments of the gross production tax at the rate of 1% of the tax due per month, for all or part of each calendar month the delinquency continues, except for the month in which the tax became due. N.D.C.C. § 57-51-05(1) provides further that any taxpayer who requests and is granted an extension of time for filing a report shall pay interest at the rate of 12% per annum (daily rate of .000333) from the date the tax was due to the date the tax is paid.

Line 4. **Total Due:** Add lines 1, 2, and 3.

Line 5. **Oil Extraction Tax Paid with Report:** Total of the Block 13 entries on the T-12 worksheets (round to two decimal places).

Line 6. **Penalty on Oil Extraction Tax:** Same as gross production tax.

Line 7. **Interest on Late Oil Extraction Tax:** Same as gross production tax.

Line 8. **Total Due:** Add lines 5, 6, and 7.

Line 9. **Total Due with Report:** Line 4 plus line 8.

Line 10. **Tax Credits Claimed:** Enter the credit to be applied as a positive. Line 10 may not exceed line 9.

Line 11. **Total Paid with this Report:** Line 9 minus line 10.

Credit or Refund: If line 11 is a negative number, check “credit” or “refund” to indicate how the overpayment is to be applied.

Electronic Payment: If payment is submitted electronically, check the box in the lower left hand corner of the coversheet.

T-12 WORKSHEET INSTRUCTIONS

Year & Month: Enter numerals, e.g. 200007 for July 2000.

Federal I.D. Number: Enter the reporting entity's nine-digit Federal I.D. number.

Taxpayer Name: Enter the company name.

Page: Enter the current page number and the total number of pages.

Separate Worksheet Entries are Required in the Following Situations:

- Condensate recovered from the wet gas stream (see Procedure for Reporting Condensate).
- Oil produced from different reservoirs (i.e., pools).
- Exempt and nonexempt oil reported in the same period.

API Number: The API, group, or unit number **must** be provided to process the lease detail information.

Sequence Number: The sequence number is required if there is **more** than one entry for an API, group, or unit number in order for amended reports to be submitted and matched correctly (i.e., 001, 002, etc.).

Condensate: If reporting condensate, check yes; otherwise, leave this space blank.

Gross Production Tax:

Block 1. Barrels of Oil Purchased/Sold: Volume of oil purchased/sold (round to two decimal places).

Block 2. Value of Oil Purchased/Sold: Enter the gross value paid for the oil pursuant to the valuation provisions in N.D.C.C. § 57-51-02.3 (round to the nearest cent).

Block 3. Value of Exempt Government Royalties: Enter the value of exempt federal, state, other municipality, and Indian royalties actually paid. The value should not exceed the amount calculated by taking the royalty percentage times the value of oil purchased reported in Block 2.

Block 4. Taxable Value of Oil: Block 2 minus Block 3.

Block 5. Total Production Tax Due: Multiply Block 4 by the 5% gross production tax rate.

Block 6. Production Tax Previously Paid: On an original report, leave this space blank. On an amended report, enter the production tax previously paid for an API, group, or unit and sequence number.

Block 7. Production Tax Paid by Others: Enter production tax paid by others.

Block 8. Production Tax Paid with Report: Block 5 minus Blocks 6 and 7.

NOTE: The total of Blocks 6, 7, and 8 must equal Block 5.

Oil Extraction Tax:

Block A. **Pool Code:** Enter the pool code assigned by the Commissioner. If reporting oil production from a well that produces from more than one pool, complete a separate entry using the applicable code assigned to each pool (see Exhibits for a list of assigned pool codes).

Block B. **Well Code:** Use the appropriate well code assigned by the Commissioner pursuant to N.D.C.C. chapter 57-51.1 and N.D.A.C. chapter 81-09-03 as follows:

Code EN **A new vertical well is eligible for a 15-month exemption.** The EN code must be used to report the purchase of oil produced during the 15-month exempt period.

Code HE **A new horizontal well is eligible for a 24-month exemption.** The HE code must be used to report the sale of oil produced during the 24-month exempt period. The well bore of a horizontal well consists of both the vertical and horizontal segments.

Code FE **A new well drilled and completed on Indian land is eligible for a 60-month exemption.** The FE code must be used to report the sale of oil produced during the 60-month exempt period.

Code NW **A new well is eligible for a reduced oil extraction tax rate of 4%.** The NW code must be used to report the purchase of oil produced after the EN, HE, or FE exempt period has expired.

Code HR **A horizontal reentry well, which is a vertical well bore reentered and recompleted horizontally, is eligible for a 9-month exemption for each reentry.** The HR code must be used to report the sale of oil produced during the 9-month exempt period. After the 9-month exempt period expires, the taxable status of the horizontal reentry well reverts to the well code that was applicable before the 9-month exempt period.

Code IE **A well that meets the definition of a two-year inactive well is eligible for a 10-year exemption.** The IE code must be used to report the sale of oil produced during the 10-year exempt period. After the 10-year exempt period expires, the taxable status of the 2-year inactive well reverts to the well code that was applicable before the 10-year exempt period.

Code S1 **A stripper well property, with average daily production of oil not exceeding 10 barrels per day for wells of a depth of 6,000 feet or less, is exempt from oil extraction tax.**

Code S2 **A stripper well property, with average daily production of oil not exceeding 15 barrels per day for wells of a depth of more than 6,000 feet, but not more than 10,000 feet, is exempt from oil extraction tax.**

Code S3 **A stripper well property, with average daily production of oil not exceeding 30 barrels per day for wells of a depth of more than 10,000 feet, is exempt from oil extraction tax.**

Code WP **A work-over project well is eligible for a 12-month exemption starting from the first day of the third month after completion of the work-over.** The WP code must be used to report the sale of oil produced during the 12-month exempt period.

Code W4 **A work-over project, completed on a well originally reported with a WW well code, is eligible for a reduced oil extraction tax rate of 4% after the 12-month exempt period.** The W4 code must only be used as follows:

Well Code Before 12-month Exemption	Well Code During 12-month Exemption	Well Code After 12-month Exemption
NW	WP	NW
SR	WP	SR
TR	WP	TR
WW	WP	W4
W4	WP	W4

Code WW **A well not eligible for an oil extraction tax exemption or rate reduction.** The applicable oil extraction tax rate is 6.5%.

Code SR **A secondary recovery project well eligible for a reduced oil extraction tax rate of 4%.**

Code TR **A tertiary recovery project well eligible for a reduced oil extraction tax rate of 4%.**

Code ER **Used by purchasers for qualified enhanced recovery reporting** (see Enhanced Recovery).

Code R1 **Used by producers for qualified enhanced recovery reporting of production subject to 5% gross production and 0% oil extraction tax** (see Enhanced Recovery)**.**

Code R2 **Used by producers for qualified enhanced recovery reporting of production subject to 5% gross production and 4% oil extraction tax** (see Enhanced Recovery).

Code R3 **Used by producers for qualified enhanced recovery reporting of production subject to 5% gross production and 6.5% oil extraction tax** (see Enhanced Recovery)**.**

Block 9. **Taxable Value of Oil:** For well codes EN, HE, FE, HR, IE, S1, S2, S3, R1 and WP, enter zero. For well codes NW, SR, TR, W4, R2, R3, and WW, enter the value from Block 4.

Block 10. **Total Extraction Tax Due:** Multiply the value in Block 9 by the applicable oil extraction tax rate:

- 4% - Well codes NW, SR, TR, R2, and W4.
- 6.5% - Well codes R3 and WW.

Block 11. **Extraction Tax Previously Paid:** On an original report, leave this space blank. On an amended report, enter the extraction tax paid for an API, group, or unit and sequence number.

Block 12. **Extraction Tax Paid by Others:** Enter the extraction tax paid by others.

Block 13. **Extraction Tax Paid with Report:** Block 10 minus Blocks 11 and 12.

NOTE: The total of Blocks 11, 12, and 13 must equal Block 10.

Block 14. **Other Party Federal I.D. Number(s):** Enter the Federal I.D. number of the party that produced/purchased the oil for each lease. A total of four may be entered.

Block C. **Oil Gravity:** Enter the average oil gravity for this lease (round to one decimal place).

Block D. **Posting Code:** Enter the applicable posting code used for calculating value (see Exhibits for posting code list).

Block E. **Additional Value:** Enter the value added to the posted price (i.e., bonus, differential, etc.).

Block F. **Transportation Deduction:** Enter the transportation deduction as allowed under N.D.C.C. § 57-51-02.3.

Block G. **Other Deductions:** Enter other deductions (i.e., gravity, differential, etc.).

- It is mandatory that all multiple entries for API, group, or unit numbers include a “sequence number.”

- Amended reports will replace previously filed data; complete worksheet entries are required. No back out entries are required.

- Do not enter an API, group, or unit number if you are not submitting data for that well or lease.

- All required blocks must be completed; incomplete reports may be returned to the reporting party for completion. Incomplete reports that are returned are not considered to be timely filed.

- Zeros must be entered after a decimal for cents (i.e., $1.00, not $1 or $1.--).

- If the average price of a barrel of crude oil for any consecutive 5-month period in any year is $33 or more, the new well (except for a new well on Indian land, FE well code), incremental, and work-over exemptions become ineffective and the extraction tax rate for new wells, eligible work-over wells, and qualifying secondary or tertiary recovery projects is increased from 4% to 6.5%. If, after the referenced trigger provisions become effective, the average price of a barrel of crude oil for any consecutive 5-month period in any year falls to less than $33, the new well, incremental, and work-over exemptions are reinstated and the extraction tax rate for new wells, eligible work-over wells, and qualifying secondary or tertiary recovery projects is reduced from 6.5% to 4%.

T-13 COVERSHEET INSTRUCTIONS

Original or Amended Report:

- Check only one.
- No amended entries for prior reporting periods may be reported on an original monthly report.
- Individual T-13 coversheets and worksheets must be submitted for each monthly period being reported. Do not combine months on the same report.

Producer or Purchaser Report:

- Check only one.

Year/Month: Enter numerals, e.g. 200007 for July 2000.

Federal I.D. Number: Enter nine-digit Federal I.D. number.

Name, Address, and Telephone Number: Enter company name and address (including a nine-digit zip code). Enter telephone number of individual completing report.

Line 1. **Gross Production Tax Paid with Report:** Total of the Block 12 entries on the T-13 worksheets (round to two decimal places).

Line 2. **Penalty on Gross Production Tax:** N.D.C.C. § 57-51-10 provides that a penalty of $5.00 or 5% of the tax due, whichever is greater, is imposed on delinquent oil and gas taxes due. Penalty will not be imposed if all of the following conditions are met:

- The original report was filed by the due date.
- The tax reported and paid on the original report was 90% or more of the total tax due for the month.
- An amended monthly report is filed within sixty days of the due date of the original report.

Line 3. **Interest on Late Gross Production Tax:** N.D.C.C. § 57-51-10 provides for the payment of interest on all late payments of the gross production tax at the rate of 1% of the tax due per month, for all or part of each calendar month the delinquency continues, except for the month in which the tax became due. N.D.C.C. § 57-51-05(1) provides further that any taxpayer who requests and is granted an extension of time for filing a report shall pay interest at the rate of 12% per annum (daily rate of .000333) from the date the tax was due to the date the tax is paid.

Line 4. **Total Due With This Report:** Add lines 1, 2, and 3.

Line 5. **Tax Credits Claimed:** Enter the credit to be applied as a positive value. Line 5 may not exceed line 4.

Line 6. **Total Gross Production Tax Remitted With This Report:** Line 4 minus line 5.

Credit or Refund: If line 6 is a negative number, check “credit” or “refund” to indicate how the overpayment is to be applied.

Electronic Payment: If payment is submitted electronically, check the box in the lower left hand corner of the coversheet.

T-13 WORKSHEET INSTRUCTIONS

Year & Month: Enter numerals, e.g. 200007 for July 2000.

Federal I.D. Number: Enter the reporting entity's nine-digit Federal I.D. number.

Taxpayer Name: Enter the company name.

Page: Enter the current page number and the total number of pages.

API Number: The API, group, or unit number **must** be provided to process the lease detail information.

Sequence Number: The sequence number is required if there is **more** than one entry for an API, group, or unit number in order for amended reports to be submitted and matched correctly (i.e., 001, 002, etc.).

Block 1. Natural Gas Delivered/Sold:

- For processed gas, enter the total volume of wet gas delivered to the purchaser, as measured by the custody transfer meter.

- For unprocessed pipeline quality gas, enter the total volume of wet gas delivered into the pipeline company's possession, as measured by the custody transfer meter.

  - The entity taking possession of this gas must complete Blocks 1 through 6.
  - The producer must report and pay tax on all unprocessed gas.

- For nonexempt flaring or lease use enter the total volume of:

  - Nonexempt flared gas.
  - Nonexempt lease use gas.
  - Nonexempt wet gas, nonexempt residue, and nonexempt liquids (see formulas in number 2, 3 and 4 below for calculation of MCFs to be reported).

  The producer must report and pay tax on all nonexempt gas.

Block 2. Natural Gas Returned To Lease: Enter the volume of wet gas delivered to a purchaser and physically returned to the lease prior to processing at a gas plant. When liquid products are recovered from wet gas before the gas is returned to the lease, the volume in Block 2 is calculated by using the following conversion formula:

$$\text{Wet Gas Returned MCF} \quad \text{X} \quad \frac{\text{BTU per cubic foot of Wet Gas Returned}}{\text{Wellhead BTU from Block 14}}$$

Block 3. Residue Returned To Lease: Enter the volume of residue gas physically returned to the lease calculated by using the following conversion formula:

$$\text{Residue Gas Returned MCF} \quad \text{X} \quad \frac{\text{BTU per cubic foot of Residue Gas}}{\text{Wellhead BTU from Block 14}}$$

Block 4. Liquids Returned To Lease: Enter the volume (in MCFs) of liquids physically returned to the lease. This volume is calculated by using the following formulas for conversion of propane or butane gallons to MCFs of gas:

$$\text{Propane Gallons} \times .03629 \times \frac{\text{Avg. BTU per cubic foot of Propane}}{\text{Wellhead BTU from Block 14}}$$

$$\text{Butane Gallons} \times .03171 \times \frac{\text{Avg. BTU per cubic foot of Butane}}{\text{Wellhead BTU from Block 14}}$$

NOTE: The propane conversion factor of .03629 MCF per gallon and the butane conversion factor of .03171 MCF per gallon are computed from the table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas, GPA Publication 2145-89.

Block 5. Condensate Reported As Oil: Enter the volume (in MCFs) of condensate (e.g., scrubber oil, drip liquids, drip gasoline, drips, etc.) recovered by the purchaser and reported as oil. This volume is calculated by using the following formula for conversion of condensate barrels to MCFs of gas:

$$\text{Condensate Barrels} \times 42 \times .02548 \times \frac{\text{Avg. BTU per cubic foot of Condensate}}{\text{Wellhead BTU from Block 14}}$$

NOTE: The condensate conversion factor of .02548 MCF per gallon is computed from the table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas, GPA Publication 2145-89.

Condensate volumes and values must be reported on the T-12 Oil Report.

Block 6. Net Delivered/Sold: Block 1 minus Blocks 2, 3, 4, and 5.

<u>DO NOT COMPLETE BLOCKS</u> 7 through 12 if you are an entity reporting unprocessed pipeline quality gas delivered directly into your pipeline system.

Block 7. Exempt Royalty Percentage: Enter the decimal fraction (rounded to seven decimal places) of exempt federal, state, other municipality, and Indian royalty interests. (Example: a 12.5 royalty percentage must be reported as 0.1250000).

Block 8. Exempt Royalty MCF: Multiply Block 6 by the decimal in Block 7 (round to the nearest whole number).

Block 9. Taxable Volume MCF: Block 6 minus Block 8.

<u>DO NOT COMPLETE BLOCKS</u> 9 through 12 if you are a producer filing a gas report for informational purposes only.

Block 10. Tax Due: Multiply Block 9 by the tax rate per MCF in effect for the period being reported. The rate per MCF will be adjusted annually pursuant to subsection 2 of N.D.C.C. § 57-51-02.2. Taxpayers will be notified in writing on or before June 1 of each fiscal year. Fiscal year rates are also available on our website.

Block 11. Tax Previously Paid: On an original report, leave this space blank. On an amended report, enter the gross production tax paid for an API, group, or unit and sequence number.

Block 12. Tax Paid With Report: Block 10 minus Block 11.

NOTE: The total of Blocks 11 and 12 must equal Block 10.

- **The purchaser reporting processed gas is required to remit the tax computed in Block 10.**
- **An entity taking possession of and reporting unprocessed pipeline quality gas is not to remit tax.** If the gas from all wells on this report is unprocessed pipeline quality gas, enter zero on line 1 of the T-13 Gas Report coversheet.
- **A producer reporting unprocessed pipeline quality gas is required to remit the tax computed in Block 10.**

Block 13. **Pool Code:** Enter the pool code assigned by the Commissioner. If reporting on a well that produces from more than one pool, enter any one of the valid pool codes (see Exhibits for a list of assigned pool codes).

Block 14. **Wellhead BTU:** Enter the average wellhead BTU content per cubic foot of delivered gas rounded to the nearest whole number (i.e., report 1250.43 as 1250).

NOTE: BTU content is for a dry ideal gas at standard conditions of 60° Fahrenheit and at a pressure base of 14.73 P.S.I. Absolute.

Block 15. **Other Party Federal I.D. Number(s):** Enter the Federal I.D. number of the party that produced/purchased the gas for each lease. A total of three may be entered.

SPECIAL INSTRUCTIONS

- It is mandatory that all multiple entries for individual, group, or unit numbers include a "sequence number."
- Amended reports will replace previously filed data; complete worksheet entries are required. No back out entries are required.
- Do not enter an API, group, or unit number if you are not submitting data for that well or lease.
- All required blocks must be completed; incomplete reports may be returned to the reporting party for completion. Incomplete reports that are returned are not considered to be timely filed.
- Zeros must be entered after a decimal for cents (i.e., $1.00, not $1 or $1.--).

PROCEDURE FOR REPORTING CONDENSATE

FORMS REQUIRED

The T-12 Oil Report is used to report and pay the gross production and oil extraction tax due on condensate. When reporting condensate, check the "yes" block on the T-12 worksheet and use the **CON1** posting code. To claim exemptions or rate reductions, the individual API, group, or unit number and pool code must be used. If reporting by station with a group number assigned by the Commissioner, use well code **WW** and pool code **99.**

Producer: A producer who recovers condensate from a gas stream must file a monthly T-12 Oil Report if:

- The condensate is recovered from a gas stream not sold to a processor, or
- The condensate is recovered from a gas stream prior to the sale to a processor at a custody transfer meter.

A producer is not required to file a T-12 Oil Report for condensate recovered by a processor after the custody transfer meter.

Purchaser: A purchaser who recovers condensate from a gas stream after the custody transfer meter, but before processing at a gas plant, must file a monthly T-12 Oil Report. This includes condensate recovered at the lease site, gas gathering lines, compressor station, and inlet separator of a processing plant.

Pursuant to N.D.A.C. § 81-09-02-10, certain costs incurred to recover the condensate from a gas stream, after the custody transfer meter, may be deducted from the gross value of the condensate. The costs of recovery must be calculated and deducted from the gross value of the condensate under either of the following methods:

- By multiplying 15% times the gross value of the condensate, or
- By using reasonable actual costs incurred to recover the condensate from a gas stream after the custody transfer meter. The costs of recovery under this method must be fully substantiated upon request and are subject to audit by the Commissioner.

PROCEDURE FOR REPORTING INJECTED OIL

Pursuant to N.D.A.C. § 81-09-02-07, injected oil includes, but is not limited to, what is commonly known as power oil, frac oil, and load oil.

FORMS REQUIRED

The T-12 Oil Report is used to report and pay the gross production and oil extraction tax due on injected oil. When oil is produced from one well but transported for use at a second well:

- The volume of transported oil must be reported, and tax paid, by the producer on the T-12 Oil Report in the month that the oil is transferred from the producing well. Use the API, group, or unit number of the well that originally produced the oil.
- The transferred oil must be reported at the market value (i.e., average price per barrel) of other oil sold from the producing well in the month of transfer. The gross production and oil extraction taxes are calculated on market value and remitted by the producer.
- In the month the transferred oil is recovered from the second well, the total sales volume should be reduced by the transferred volume prior to being reported on the T-12 Oil Report.
- The producer must retain adequate documentation to substantiate the transported oil's initial production, transfer to a second well, recovery from the second well, and ultimate sale. The producer is responsible for certifying to the purchaser the transported oil volume that may be subtracted from the total sales volume.

PROCEDURE FOR REPORTING RECLAIMED OIL

The operator of a reclaiming plant must report and pay tax on the gross value of oil reclaimed from tank bottoms, pit oil, and saltwater pursuant to N.D.C.C. § 57-51-05.1. The gross value of oil reclaimed from tank bottoms and pit oil is the purchase price of the material from which the oil is reclaimed. If no cash price is paid for the tank bottom and pit oil material, the reclaimed oil has no value at the well. The gross value of oil reclaimed from saltwater (i.e., skim oil) is the sales price received from the purchaser of the reclaimed oil.

FORMS REQUIRED

The T-12 Oil Report is used to report and pay the gross production and oil extraction tax due on reclaimed oil. Refer to the T-12 Oil Report instructions for completing this report. Special instructions used for reporting reclaimed oil are:

Block 1. **Barrels of Oil Purchased/Sold:** Total barrels purchased and/or sold during the reporting month.

Block 2. **Value of Oil Purchased/Sold:** Net value of oil purchased and/or sold.

- Cash price paid for tank bottoms or pit oil; if no cash price, enter zero.
- Sales price received for oil reclaimed from saltwater (i.e., skim oil).

Block A. **Pool Code:** Use the pool code **99** if the producing pool is unknown.

Block B. **Well Code:** Use the well code **WW** if the applicable well code is unknown.

API Number: Use the group number **D999** preceded by the county code number (i.e. 053-D999 for reclaimed oil from McKenzie county). If the county of production is unknown, use county code number 201 for unknown source (see Exhibits for a list of county code numbers).

Block D. **Posting Code:** Use the posting code **REC1** if the oil is not purchased and/or sold subject to a published North Dakota posting.

PROCEDURE FOR REPORTING VOLUME GAINS

Volume gains and losses are calculated on a monthly basis by subtracting the total amount of oil received by the purchaser or transporter, as measured at the well or at the trunkline, from the total amount of oil delivered and measured at a subsequent point. If this calculation results in a positive number, there is a volume gain. If this calculation results in a negative number, there is a volume loss. For purposes of calculating a volume gain or loss, a volume gain cannot be decreased and volume loss cannot be increased by oil lost due to spillage, leakage, fire, theft, or any other event resulting in a physical loss of oil.

FORMS REQUIRED

<u>Oil Purchaser</u>:

The Schedule T-83 is used to calculate monthly volume gains or losses and is due the 25th day of the month following the month the gain or loss is realized.

Oil purchasers must submit a gain or loss information report for each month using the Schedule T-83 (see Exhibits). A purchaser may choose to submit a monthly over and short report compiled during the ordinary course of business in place of the Commissioner's Schedule T-83; however, this schedule must contain the following information applicable to each station**:**

- North Dakota loss carryforward from the last period.
- Total station gain/loss for the current period.
- Percent of gain/loss applicable to North Dakota.
- North Dakota loss carryforward ending balance.
- Average station price.

If the monthly calculation on the information schedule results in a gain, tax is due and is reported on the T-12 Oil Report. If the monthly calculation on the information schedule results in a loss, the purchaser is only required to file the information schedule.

A volume loss may be carried forward to offset a volume gain in subsequent periods. A volume loss may be carried forward for three years after the due date of the return for the production month in which the loss was incurred.

The T-12 Oil Report is used to report and pay the gross production and oil extraction tax due on a volume gain. Refer to the T-12 Oil Report instructions for completing this report. Special instructions used for the reporting of volume gains on the T-12 Oil Report are:

Block 1. Total barrel gain from information schedule or from Block 6 on the Schedule T-83.

Block 2. Use the average price per barrel paid by the purchaser for the period reported to calculate the value.

Block A. Pool Code: Use pool code **99**.

Block B. Well Code: Use well code **WW**.

API Number: Use the group number assigned by the Commissioner to report system-wide volume gains (i.e., 33-201-Z123).

Block D. Posting Code: Use posting code **VOL1.**

NOTE: No exempt government royalty may be claimed, as the source of this oil is unknown. Lease Name, Oil Gravity, or Other Party Federal I.D. Number fields are not required.

<u>Oil Transporter</u> :

Each operator of an oil pipeline in North Dakota must provide the Commissioner with information showing its volume gains and volume losses for the calendar year. The information may be submitted in the form of the pipeline's "over and short" report compiled during the ordinary course of business. The annual information must be submitted by the twenty-fifth day of February following the end of the calendar year.

PROCEDURE FOR REPORTING ENHANCED RECOVERY

GENERAL DEFINITIONS

Incremental Production: Incremental production equals the volume of oil produced from the recovery project that exceeds the projected volume from the production decline curve each production month.

Nonincremental Production: Nonincremental production each production month equals the lesser of (1) the projected volume from the production decline curve, or (2) the volume of oil produced from the recovery project.

Exempt Period for the Incremental Oil Exemption: A 5-year exempt period from the oil extraction tax is applicable to incremental oil produced from a certified secondary recovery project, beginning on the first day of the first month in which incremental oil is produced from the project and extending for 60 consecutive months. A 10-year exempt period is applicable to incremental oil produced from a certified tertiary recovery project, beginning on the first day of the first month in which incremental oil is produced from the project and extending for 120 consecutive months.

Beginning Inventory at Start of Exempt Period: The volume of oil stored in lease tanks as beginning inventory on the first day of the exempt period will be treated as sold on a first-in, first-out basis during the initial months of the exempt period. This oil must be reported on the T-12 Oil Report using the well code applicable before the incremental oil exempt period began.

Tax Rate for Incremental Production After Exempt Period: After the 5-year or 10-year exempt period expires, nonexempt incremental production is subject to a reduced tax rate of 4%. Producers of units with nonincremental production taxed at 6.5% must continue to file theT-80 Report and Schedule T-81 to compute incremental volumes taxed at 4%. Producers of units qualifying for the 4% tax rate may discontinue filing the T-80 Report and Schedule T-81. The producer can request a waiver of their T-12 oil reporting requirements and the responsibility for payment of taxes can be returned to the purchaser.

Ending Inventory After Exempt Period: Producers of units qualified for the 4% tax rate on nonincremental production may have oil stored in lease tanks as ending inventory on the last day of the exempt period. This oil was taxed at the time of production. Producers and purchasers, paying tax on sales volumes, should reduce sales volumes by the ending inventory volumes on a first-in, first-out basis. Producers of units who continue to report on the T-80 Report and Schedule T-81 will not have an ending inventory issue until the nonincremental production qualifies for the 4% tax rate.

FILE AND REMIT TAX

<u>Oil Producer</u>: The unit operator of a secondary or tertiary recovery project, eligible for the incremental oil incentives, must file the T-80 Report and Schedule T-81. Without exception, the unit operator or the unit's working interest owners must remit the gross production and oil extraction tax. Tax is not remitted with the T-80 Report and Schedule T-81. Tax is remitted with a separately filed T-12 Oil Report.

<u>Oil Purchaser</u>: The purchaser must file a T-12 Oil Report for oil from a secondary or tertiary recovery project eligible for the incremental oil incentive. Do not complete lines 3 through 13 when filing on qualifying projects. Use well code **ER** in Block B.

FORMS REQUIRED

- **T-80 Unit Operator Report of Oil Production from a Secondary or Tertiary Recovery Project** calculates the barrels of oil taxed at 4% and 6.5% oil extraction tax rates.

- **T-81 Unit Operator Schedule of Production from a Secondary or Tertiary Recovery Project** accounts for oil produced from individual project wells by well code.

- **T-82 Operator Schedule of Take In-Kind Owners** provides the percentages being reported by working interest owners when a unit originally qualifies. An updated Schedule T-82 needs to be submitted when take-in-kind ownership or percentages change (see Exhibits).

- **T-12 Oil Report** is used to file and remit the gross production and oil extraction taxes due on a qualifying recovery project.

The due date of the T-12 Oil Report, T-80 Report, and Schedule T-81 is on or before the twenty-fifth day of the month following the month of production.

PROJECT ELIGIBILITY REQUIREMENTS

Incremental Oil Exemption and Subsequent Incremental Oil 4% Oil Extraction Tax Rate: The unit operator must have the N.D.I.C. determine the production decline curve for the secondary or tertiary recovery project and certify that the recovery project is qualified on a technical basis. The N.D.I.C. will provide the Commissioner with a copy of the certification and monthly projected volumes from the production decline curve.

Project Eligibility for a Reduced 4% Oil Extraction Tax Rate on Primary Production: The unit operator must have the N.D.I.C. certify that a secondary or tertiary recovery project has achieved the required increase in production provided by law. A secondary recovery project must achieve an average production level of at least 25% above the normal recovery operations level for six consecutive months. A tertiary recovery project must achieve a production level of at least 15% above the normal recovery operations level for at least one month.

FORM T-80 INSTRUCTIONS

Original or Amended Return: Check only one. Amended data for prior periods will not be accepted on an original report, it must be submitted on an amended report. Amended T-80 Reports and T-81 Schedules will replace previously filed reports and schedules; therefore, all data fields must be completed with the correct information whether or not the data for a particular field has changed.

Year/Month: Enter numerals, e.g., 200007 for July 2000.

Federal I.D. Number: Enter nine-digit Federal I.D. number.

Operator's Name, Mailing Address, and Telephone Number: Enter company name and mailing address (including a nine-digit zip code). Enter the telephone number of the individual completing the report.

Unit Name: Enter the name of the certified secondary or tertiary recovery project unit. A separate T-80 Report and Schedule T-81 must be filed for each recovery project that is eligible for the incremental oil incentives.

Secondary or Tertiary Recovery Project: Check appropriate block.

Line 1. **Total volume of oil produced from the project**. Enter the total barrels adjusted for temperature and S&W (round to two decimal places).

Line 2. **Volume of oil projected pursuant to the production decline curve**. Enter the total barrels of oil projected.

Line 2a. **If line 1 is greater than line 2, divide line 2 by line 1 (round to six decimal places).** The fraction entered on this line will be used either in Section B or in Section C. If line 1 is less than line 2, leave line 2a blank.

> NOTE: **If line 1 is less than or equal to line 2, Section A must be completed. If line 1 is greater than line 2, complete only Section B or Section C.**

<u>SECTION A</u>**: (Complete Only When No Incremental Oil is Produced.)**

Line 3. **Exempt Nonincremental Production:** Enter the cumulative total of Block 1 entries from the last page of the Schedule T-81.

Line 4. **Taxable Nonincremental Production:** The taxable volume of nonincremental production will be subject to either a 4% or a 6.5% tax rate as determined on lines 4a, 4b, and 4c. When the condition indicated for line 4a is met, lines 4b and 4c should be left blank. When the condition indicated for lines 4b and 4c is met, line 4a should be left blank.

Line 4a. **4% Barrels:** If the recovery project has qualified for a reduced 4% tax rate, subtract line 3 from line 1. The volume on this line should equal the total of Block 3 entries from the Schedule T-81.

Line 4b. **4% Barrels:** If the recovery project has **not** been certified by the N.D.I.C. as qualifying for a reduced 4% tax rate, enter the total of Block 2 from the Schedule T-81 on line 4b.

Line 4c. **6.5% Barrels:** If the entire recovery project has **not** been certified by the N.D.I.C. as qualifying for a reduced 4% tax rate, subtract line 3 and line 4b from line 1. The volume on this line should equal the total of Block 4 entries on the Schedule T-81.

<u>SECTION B</u>: (Complete Only When Incremental Oil is Produced and the Project is Within the 5 or 10-Year Exempt Period.)

If the 5 or 10-year exempt period has not expired and line 1 is greater than line 2, exempt incremental oil has been produced in the current month and Section B must be completed.

Line 5. **Exempt Incremental Production:** Line 1 minus line 2.

Line 6. **Exempt Nonincremental Production:** Multiply the total of Block 1 entries from the T-81 schedule by the decimal on line 2a (round to two decimal places).

Line 7. **Taxable Nonincremental Production:** The taxable volume of nonincremental production will be subject to either a 4% or a 6.5% tax rate as determined on lines 7a, 7b, and 7c. When the condition indicated for line 7a is met, lines 7b and 7c should be left blank. When the condition indicated for lines 7b and 7c is met, line 7a should be left blank.

Line 7a. **4% Barrels:** If the entire recovery project has been certified by the N.D.I.C. as qualifying for a reduced 4% tax rate, subtract line 6 from line 2.

Line 7b. **4% Barrels:** If the entire recovery project has **not** been certified by the N.D.I.C. as qualifying for a reduced 4% tax rate, multiply the total of the Block 2 entries from the Schedule T-81 by line 2a (round to two decimal places).

Line 7c. **6.5% Barrels:** If the entire recovery project has **not** been certified by the N.D.I.C. as qualifying for a reduced 4% tax rate, subtract line 6 and line 7b from line 2.

<u>SECTION C</u>: (Complete Only When Incremental Oil is Produced and the Project is Past the 5 or 10-Year Exempt Period.)

If the 5 or 10-year exempt period has expired and line 1 is greater than line 2, incremental oil taxed at the 4% tax rate has been produced in the current month and Section C must be completed.

Line 8. **Exempt Nonincremental Production:** Enter the total of Block 1 entries from the Schedule T-81.

Line 9. **Taxable Production:** The taxable volume of incremental production will be subject to a 4% tax rate and nonincremental production will be subject to either a 4% or a 6.5% tax rate as determined on lines 9a and 9b.

Line 9a. **6.5% Barrels:** Multiply the total of Block 4 entries from the Schedule T-81 by line 2a.

Line 9b. **4% Barrels:** Subtract line 8 and line 9a from line 2.

<u>SECTION D</u>:

The allocation of the recovery project's taxable production must be completed to identify the specific county in which production occurred. Use only the first column of Section D if all recovery project wells are located in a single county. Use the first and second columns of Section D if the recovery project wells are located in two counties. Use all columns of Section D if the recovery project wells are located in three counties.

Line 10. **Group Number:** Enter the property/group number assigned to the recovery project by the Commissioner. If the recovery project is a single well project, enter the API number assigned to the well by the N.D.I.C.

Line 11. **Volume of oil produced from each county:** Enter the barrels of oil produced from each county (round to two decimal places). The total barrels on line 11 for all counties must equal the volume on line 1.

Line 12. **County decimal:** Divide line 11 by line 1 (round to six decimal places).

Line 13. **Production subject to 5% gross production and 0% oil extraction tax:** Multiply the barrels on line 3, line 5 plus line 6, or line 8 by line 12 (round to two decimal places). The barrels on line 13 must be reported as a separate line entry on a T-12 Worksheet using well code **R1** (see T-12 Worksheet Instructions).

Line 14. **Production subject to 5% gross production and 4% oil extraction tax:** Multiply the barrels on line 4a or line 4b, line 7a or line 7b, or line 9b by line 12 (round to two decimal places). The barrels on line 14 must be reported as a separate line entry on a T-12 Worksheet using well code **R2** (see T-12 Worksheet Instructions).

Line 15. **Production subject to 5% gross production and 6.5% oil extraction tax:** Multiply the barrels on line 4c, line 7c, or line 9a by line 12 (round to two decimal places). The barrels on line 15 must be reported as a separate line entry on a T-12 Worksheet using well code **R3** (see T-12 Worksheet Instructions).

SCHEDULE T-81 INSTRUCTIONS

Year/Month: Enter numerals, e.g., 200007 for July 2000.

Federal I.D. Number: Enter the unit operator's nine-digit Federal I.D. number.

Operator's Name: Enter the name of the unit operator.

Unit Name: Enter the name of the unit that was certified as a secondary or tertiary recovery project.

Well or Lease Name: Enter the name of the individual well or lease.

API Number: Enter the eight-digit API number assigned to the well by the N.D.I.C.

Barrels Produced: Enter the total barrels of oil produced for the month adjusted for temperature and S & W (round to two decimal places).

Block 1. Add the barrels produced from the individual line entries for well codes S1, S2, S3, EN, HE, HR, IE, FE and WP and enter the total barrels for each page and the cumulative total of all pages.

Block 2. Add the barrels produced from the individual line entries for well codes NW and W4 and enter the total barrels for each page and the cumulative total of all pages.

Block 3. Add the barrels produced from the individual line entries for well code SR or TR and enter the total barrels for each page and the cumulative total of all pages.

Block 4. Add the barrels produced from the individual line entries for well code WW and enter the total barrels for each page and the cumulative total of all pages.

Alternate method of reporting wells with a SR, TR or WW well code: If the unit operator reports production from the recovery project on a well-by-well basis to the N.D.I.C., the unit operator may choose to report certain project wells on the Schedule T-81 as follows:

- For project wells subject to a 0% tax rate, report the cumulative production for each exempt well code on a single line entry under the unit name, group number, and well code.
- For project wells subject to a reduced 4% tax rate, report the cumulative production for each 4% well code on a single line entry under the unit name, group number, and well code.
- For project wells subject to a 6.5% tax rate, report the cumulative production on a single line entry under the unit name, group number, and WW well code.

NOTE: **The alternative method of reporting production from project wells may not be used when production is reported to the N.D.I.C. on some basis other than a well-by-well basis.**

EXHIBITS

Electronic Funds Transfer Addenda Record Information

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
TAX PAYMENT (TXP) BANKING CONVENTION
OIL AND GAS SEVERANCE TAX

ADDENDA RECORD LAYOUT
(USING THE FEDERAL IMPLEMENTATION)

Tax Payment Data Segment (TXP)

Ref #	Element ID	Element Name	Attributes	Value/Description
TXP01	325	Tax Identification Number	M AN 9/9	Federal Identification Number
TXP02	1049	Tax Payment Type Code	M ID 1/5	080 = Production/Severance Tax
TXP03	373	Tax Period End Date	M DT 6/6	YYMMDD = Enter the last day of the production month in the DD value (i.e., 000630 = June 2000)
TXP04	817	Amount Type (Tax Information ID Number)	M ID 1/5	T12O = Original Oil Report T12A = Amended Oil Report T13O = Original Gas Report T13A = Amended Gas Report ASMT = Underpayment Billing Notice or Audit Assessment
TXP05	1051	Tax Amount	M N2 1/10	$$$$$$$cc = The decimal is implied and not transmitted (i.e., $500.00 = *50000*)
TXP06	817	Amount Type (Tax Information ID Number)	Not Used	
TXP07	1051	Tax Amount	Not Used	
TXP08	817	Amount Type (Tax Information ID Number)	Not Used	
TXP09	1051	Tax Amount	Not Used	
TXP010	1050	Identification Code	Not Used	

EXAMPLE:
North Dakota Office of State Tax Commissioner Implementation, Oil and Gas Severance Tax

705TXP*123456789*080*000630*T12O*15000000

Tax Identification Number	123456789
Tax Payment Type Code	080 (Severance Tax)
Tax Period End Date	June 30, 2000
Amount Type	T12O (Original T12 Report)
Tax Amount	$150,000.00

Company Name: ______________________________

Federal I.D. # : ______________________________

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
OIL PRODUCER FILING WAIVER AND AGREEMENT

This agreement is made as of the _______ day of _______________, 2000, by and between ________________________, the producer or operator (hereinafter "Producer") and the North Dakota State Tax Commissioner ("Commissioner").

The Commissioner grants to the Producer a waiver of the requirement to file a producer's monthly report subject to the following conditions:

- The purchaser must report and pay all tax due on forms prescribed by the Commissioner.
- All tax due on production and sales of oil that is not subject to the purchaser's monthly reporting must be reported and paid by Producer on forms prescribed by the Commissioner even though a waiver has been received. This includes enhanced recovery units, lease use oil, lost oil, and stolen or unaccounted for oil.
- Production and sales information must be remitted by Producer on a timely basis to the North Dakota Industrial Commission.
- Producer must continue to maintain production and sales records for inspection by the Commissioner and must respond in a timely manner to all requests for information relating to discrepancies between tax and the North Dakota Industrial Commission reports.
- Producer agrees to be subject to N.D.C.C. §§ 57-51-09 and 57-51-19 statutory assessment and refund dates established by the purchaser's report for Producer's wells.
- Producer agrees to provide the Producer's valid Federal Identification Number to the purchaser for use in the reporting of purchased interests.

This waiver may be terminated by the Commissioner at any time by providing written notice to Producer that a report must be filed for the production month following the month in which the notice of termination is issued. Producer may terminate this waiver only by providing the Commissioner with written notice that a report will be filed in the next succeeding month. When a waiver is terminated by either the Commissioner or Producer, failure thereafter to file a timely report may subject Producer to penalties under N.D.C.C. §§ 57-51-06 and 57-51-10.

The Commissioner's waiver of Producer's requirement to file a report does not constitute a waiver of the Commissioner's authority to audit Producer's records and to assess Producer for additional gross production and oil extraction taxes.

Each signatory represents that they have full authority to execute this agreement on behalf of the party designated.

Agreed to this ______ day of ___________, 2000.

NORTH DAKOTA STATE TAX COMMISSIONER

By: ____

Oil & Gas Tax Supervisor

Agreed to this ______day of ___________, 2000.

____

Producer's Name

By: ____

____

Title

Company Name:

____

Federal I.D. # : ______________________________

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
GAS PRODUCER FILING WAIVER AND AGREEMENT

This agreement is made as of the ______ day of ______________, 2000, by and between _______________________, the producer or operator (hereinafter "Producer") and the North Dakota State Tax Commissioner ("Commissioner").

The Commissioner grants to the Producer a waiver of the requirement to file a producer's monthly report subject to the following conditions:

- The purchaser/processor must report and pay all tax due on forms prescribed by the Commissioner.
- All tax due on gas that is not subject to the purchaser's/processor's monthly reporting must be reported and paid by Producer on forms prescribed by the Commissioner even though a waiver has been received. This includes gas not processed at a gas plant, vented or flared without permit, or used for nonexempt purposes.
- Production and delivery information must be remitted by Producer on a timely basis to the North Dakota Industrial Commission.
- Producer must continue to maintain production and sales records for inspection by the Commissioner and must respond in a timely manner to all requests for information relating to discrepancies between tax and the North Dakota Industrial Commission reports.
- Producer agrees to be subject to N.D.C.C. §§ 57-51-09 and 57-51-19 statutory assessment and refund dates established by the purchaser/processor's report for Producer's wells.
- Producer agrees to provide the Producer's valid Federal Identification Number to the purchaser/processor for use in the reporting of purchased interests.

This waiver may be terminated by the Commissioner at any time by providing written notice to Producer that a return must be filed for the production month following the month in which the notice of termination is issued. Producer may terminate this waiver only by providing the Commissioner with written notice that a report will be filed in the next succeeding month. When a waiver is terminated by either the Commissioner or Producer, failure thereafter to file a timely return may subject Producer to penalties under N.D.C.C. §§ 57-51-06 and 57-51-10.

The Commissioner's waiver of the Producer's requirement to file a return does not constitute a waiver of the Commissioner's authority to audit Producer's records and to assess Producer for additional gross production tax.

Each signatory represents that they have full authority to execute this agreement on behalf of the party designated.

Agreed to this ______ day of ___________, 2000.

NORTH DAKOTA STATE TAX COMMISSIONER

By: ____

Oil & Gas Tax Supervisor

Agreed to this ______day of ___________, 2000.

____

Producer's Name

By: ____

____

Title

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
600 E. BOULEVARD AVE., BISMARCK, ND 58505-0599
OIL GROSS PRODUCTION AND OIL EXTRACTION TAX REPORT

FORM T-12
(August 2000)

☐ **ORIGINAL** (Check One) ☐ **AMENDED**

☐ **PRODUCER** (Check One) ☐ **PURCHASER**

YEAR/MONTH ______ | ______
(i.e., 1999, 2000) (i.e., 01, 12)

For Office Use Only

FEDERAL I.D. NUMBER ____________________

NAME ____________________

ADDRESS ____________________ **PHONE** ____________________

CITY ____________________ **STATE/PROV.** __________ **ZIP CODE** ____________________

For instruction booklet or forms contact the Office of State Tax Commissioner: 701-328-3593.
Hearing/speech impaired TTY users call Relay North Dakota 1-800-366-6888, ask for 701-328-3657.

You must attach all T-12 Worksheets to this Report.

GROSS PRODUCTION TAX

1. Gross Production Tax Paid With Report ………… ► ______
2. Penalty on Gross Production Tax ………… (See Instructions) ………… ► ______
3. Interest on Late Gross Production Tax ………… (See Instructions) ………… ► ______

Line 1 - Total from Block 8 on T-12 Worksheet

4. Total Due ………… (Add Lines 1, 2, and 3) ………… ______

OIL EXTRACTION TAX

5. Oil Extraction Tax Paid With Report ………… ► ______
6. Penalty on Oil Extraction Tax ………… (See Instructions) ………… ► ______
7. Interest on Late Oil Extraction Tax ………… (See Instructions) ………… ► ______

Line 5 - Total from Block 13 on T-12 Worksheet

8. Total Due ………… (Add Lines 5, 6, and 7) ………… ______

9. Total Due With This Report ………… (Add Lines 4 and 8) ………… ______
10. Tax Credits Claimed ………… (Enter as a positive value) ………… ► ______
11. Total Gross Production and Oil Extraction Tax Remitted With This Report ………… (Line 9 minus Line 10) ………… ______

If Line 11 Results in Credit Balance, Apply to: ☐ Credit ☐ Refund

I declare under penalties of North Dakota Century Code Section 12.1-11.02, which provides for a Class A misdemeanor for making a false statement in a government matter, that this report, including any accompanying schedules and statements has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

Report Prepared by: ____________________ **Date:** ____________________
(Please Print or Type)

Please Do Not Write In This Space

☐ **Check here if PAYMENT has been submitted electronically.**

North Dakota Statement of Oil Purchases/Sales
Gross Production & Oil Extraction Tax

T-12 WORKSHEET - OIL
(August 2000)

YEAR/MONTH ______ | ______
(i.e., 1999, 2000) (i.e., 01, 12)

FEDERAL I.D. NUMBER ____________ **TAXPAYER NAME** ____________ Page ____ of ____

						Gross Production Tax			Oil Extraction Tax	
Barrels of Oil Purchased/Sold (Round to two Places)			Value of Oil Purchased/Sold		Value of Exempt Government Royalties	Taxable Value of Oil (Block 2 - Block 3)	Pool Code	Well Code	Taxable Value of Oil (Same as Block 4)	Other Party Federal I.D. Number
1			2		3	4	A	B	9	14
Oil Gravity	Posting Code	Additional Value	Transportation Deduction	Other Deductions	Total Production Tax Due (5% of Block 4)	5	Total Extraction Tax Due (4% or 6.5% of Block 9)		10	15
C	D	E	F	G	Production Tax Previously Paid	6	Extraction Tax Previously Paid		11	16
API Number: 33 -			Sequence # ( )	Condensate ☐ YES	Production Tax Paid By Others	7	Extraction Tax Paid By Others		12	17
Well or Lease Name:					Production Tax Paid with Report	8	Extraction Tax Paid with Report		13	
1			2		3	4	A	B	9	14
Oil Gravity	Posting Code	Additional Value	Transportation Deduction	Other Deductions	Total Production Tax Due (5% of Block 4)	5	Total Extraction Tax Due (4% or 6.5% of Block 9)		10	15
C	D	E	F	G	Production Tax Previously Paid	6	Extraction Tax Previously Paid		11	16
API Number: 33 -			Sequence # ( )	Condensate ☐ YES	Production Tax Paid By Others	7	Extraction Tax Paid By Others		12	17
Well or Lease Name:					Production Tax Paid with Report	8	Extraction Tax Paid with Report		13	
1			2		3	4	A	B	9	14
Oil Gravity	Posting Code	Additional Value	Transportation Deduction	Other Deductions	Total Production Tax Due (5% of Block 4)	5	Total Extraction Tax Due (4% or 6.5% of Block 9)		10	15
C	D	E	F	G	Production Tax Previously Paid	6	Extraction Tax Previously Paid		11	16
API Number: 33 -			Sequence # ( )	Condensate ☐ YES	Production Tax Paid By Others	7	Extraction Tax Paid By Others		12	17
Well or Lease Name:					Production Tax Paid with Report	8	Extraction Tax Paid with Report		13	
					Page Total Sum of Block 8:		Page Total Sum of Block 13:			

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
600 E. BOULEVARD AVE., BISMARCK, ND 58505-0599
GAS GROSS PRODUCTION TAX REPORT

Form T-13
(August 2000)

☐ **ORIGINAL** (Check One) ☐ **AMENDED**

☐ **PRODUCER** (Check One) ☐ **PURCHASER**

For Office Use Only

YEAR/MONTH ________ | ________
(i.e., 1999, 2000) (i.e., 01, 12)

FEDERAL I.D. NUMBER ____________________

NAME ____

ADDRESS ____ **PHONE** ____________________

CITY ____________________ **STATE/PROV.** __________ **ZIP CODE** ____________________

For instruction booklet or forms contact the Office of State Tax Commissioner: 701-328-3593.
Hearing/speech impaired TTY users call Relay North Dakota 1-800-366-6888, ask for 701-328-3657.

You must attach all T-13 Worksheets to this Report.

GROSS PRODUCTION TAX

1. Gross Production Tax Paid With Report ………………………………………………… ▶ ______ (Line 1 - Total from Block 10 on T-13 Worksheet)
2. Penalty on Gross Production Tax ………………………. (See Instructions)………………… ▶ ______
3. Interest on Late Gross Production Tax ………………. (See Instructions)………………… ▶ ______
4. Total Due With This Report ……. (Add Lines 1, 2, and 3)………………………………………… ______
5. Tax Credits Claimed ……………… (Enter as a positive value) ………………………………… ▶ ______
6. Total Gross Production Tax Remitted With This Report ……………………… (Line 4 minus Line 5) ……….. ______

If Line 6 Results in Credit Balance, Apply to: ☐ Credit ☐ Refund

I declare under penalties of North Dakota Century Code Section 12.1-11.02, which provides for a Class A misdemeanor for making a false statement in a government matter, that this report, including any accompanying schedules and statements has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

Report Prepared by: ________________________________ **Date:** ____________________
(Please Print or Type)

Please Do Not Write In This Space

☐ **Check here if PAYMENT has been submitted electronically.**

NORTH DAKOTA STATEMENT OF GAS PURCHASES/SALES
GROSS PRODUCTION TAX

T-13 WORKSHEET - GAS
(August 2000)

YEAR/MONTH ______ | ______
(i.e., 1999, 2000) (i.e., 01, 12)

Page ______ of ______

FEDERAL I.D. NUMBER ______________ **TAXPAYER NAME** ______________

NATURAL GAS DELIVERED/SOLD MCF	RESIDUE RETURNED TO LEASE MCF	CONDENSATE REPORTED AS OIL MCF	EXEMPT ROYALTY PERCENTAGE (Decimal)	TAXABLE VOLUME MCF (Block 6 minus Block 8)	TAX PREVIOUSLY PAID	
NATURAL GAS RETURNED TO LEASE MCF	LIQUIDS RETURNED TO LEASE MCF	NET DELIVERED/SOLD (Block 1 Minus Blocks 2,3,4,&5)	EXEMPT ROYALTY MCF (Block 7 X Block 6)	TAX DUE (Block 9 X Rate Per MCF)	TAX PAID WITH REPORT (Block 10 minus Block 11)	OTHER PARTY FEDERAL I.D. NUMBER
1	3	5	7	9	11	15
2	4	6	8	10	12	16
API NUMBER 33 -	SEQUENCE # ( )	WELL OR LEASE NAME		13 POOL CODE	14 WELLHEAD BTU	17
1	3	5	7	9	11	15
2	4	6	8	10	12	16
API NUMBER 33 -	SEQUENCE # ( )	WELL OR LEASE NAME		13 POOL CODE	14 WELLHEAD BTU	17
1	3	5	7	9	11	15
2	4	6	8	10	12	16
API NUMBER 33 -	SEQUENCE # ( )	WELL OR LEASE NAME		13 POOL CODE	14 WELLHEAD BTU	17
1	3	5	7	9	11	15
2	4	6	8	10	12	16
API NUMBER 33 -	SEQUENCE # ( )	WELL OR LEASE NAME		13 POOL CODE	14 WELLHEAD BTU	17

Page Total - Sum of Block 12:

STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
STATE CAPITOL, 600 E. BOULEVARD AVE.
BISMARCK, NORTH DAKOTA 58505-0599

FORM T-80
(August 2000)

☐ Original

☐ Amended

UNIT OPERATOR'S REPORT OF OIL PRODUCTION FROM A SECONDARY OR TERTIARY RECOVERY PROJECT

Year/Month ________ | ________ (i.e., 1999, 2000) (i.e., 01, 12)

Unit Name ____________________

Secondary Recovery Project ☐

Tertiary Recovery Project ☐

Federal I.D. Number ____________________

Operator's Name ____________________

Mailing Address ____________________

City ____________________ **State/Prov.** __________ **Zip Code** __________

Phone ____________________

For instructions or forms contact the Office of State Tax Commissioner: 701-328-3593.
Hearing/speech impaired TTY users call Relay North Dakota 1-800-366-6888, ask for 701-328-3657.

1. Total volume of oil produced from the project	1.	
2. Volume of oil projected pursuant to the production decline curve	2.	
a. If Line 1 is greater than Line 2, divide Line 2 by Line 1 (round to six places)	2a.	
A. FOR OIL EXTRACTION TAX PURPOSES, COMPLETE WHEN NO INCREMENTAL OIL IS PRODUCED:	Complete Section A when Line 1 is Less than or equal to Line 2	
3. Exempt Nonincremental Production - Enter amount from Block 1, Schedule T-81	3.	
4. Taxable Nonincremental Production:		
COMPLETE 4a ONLY IF PROJECT HAS QUALIFIED FOR THE REDUCED 4% OET RATE a. 4% Barrels - Line 1 minus Line 3	4a.	
COMPLETE 4b ONLY IF PROJECT HAS NOT QUALIFIED FOR THE REDUCED 4% OET RATE b. 4% Barrels - Enter amount from Block 2, Schedule T-81	4b.	
c. 6.5% Barrels - Line 1 minus Line 3 and Line 4b	4c.	
B. FOR OIL EXTRACTION TAX PURPOSES, COMPLETE FOR PRODUCTION PERIODS WITHIN THE FIVE OR TEN YEAR EXEMPT PERIOD WHEN INCREMENTAL OIL IS PRODUCED:	Complete Section B when Line 1 is greater than Line 2	
5. Exempt Incremental Production - Line 1 minus Line 2	5.	
6. Exempt Nonincremental Production - Multiply the amount in Block 1, Schedule T-81, by the decimal on Line 2a	6.	
7. Taxable Nonincremental Production:		
COMPLETE 7a ONLY IF PROJECT HAS QUALIFIED FOR THE REDUCED 4% OET RATE a. 4% Barrels - Line 2 minus Line 6	7a.	
COMPLETE 7b ONLY IF PROJECT HAS NOT QUALIFIED FOR THE REDUCED 4% OET RATE b. 4% Barrels - Multiply the amount in Block 2, Schedule T-81, by the decimal on Line 2a	7b.	
c. 6.5% Barrels - Line 2 minus Line 6 and Line 7b	7c.	

C. FOR OIL EXTRACTION TAX PURPOSES, COMPLETE FOR PRODUCTION PERIODS AFTER THE FIVE OR TEN YEAR EXEMPT PERIOD WHEN INCREMENTAL OIL IS PRODUCED:

Complete Section C when the 5 or 10 year exemption expires and Line 1 is greater than Line 2

8. Exempt Nonincremental Production - Enter the amount from Block 1, Schedule T-81	8.	
9. Taxable Production:		
a. 6.5% Barrels - Multiply the amount in Block 4, Schedule T-81, by the decimal on Line 2a	9a.	
b. 4% Barrels - Line 2 minus Line 8 and Line 9a	9b.	

D. ALLOCATION OF TAXABLE PRODUCTION BY COUNTY:

Complete the first column if the project is located in one county. Complete the first and second columns if the project is located in two counties. Complete all columns if the project is located in the three counties.	First County	Second County	Third County
10. Group Number	33- -	33- -	33- -
11. Volume of oil produced from each county (total volume for all counties must equal Line 1 on front of report).			
12. County decimal - Divide the volume for each county on Line 11 by the total volume produced from the project on Line 1 (round to six places).			
13. Production subject to 5% gross production and 0% oil extraction tax Multiply the exempt barrels on Line 3, Line 5 and 6, or Line 8 by the county decimal on Line 12.			
14. Production subject to 5% gross production and 4% oil extraction tax - Multiply the 4% barrels on Line 4a or 4b, Line 7a or 7b, or Line 9b by the county decimal on Line 12.			
15. Production subject to 5% gross production and 6.5% oil extraction tax - Multiply the 6.5% barrels on Line 4c, Line 7c, or Line 9a by the county decimal on Line 12.			

The gross production and oil extraction taxes are calculated using the volume(s) shown on Lines 13, 14 and 15.
The unit operator is responsible for providing these volumes to each working interest owner that will be filing a Form T-12 Gross Production and Oil Extraction Tax Report.

I declare under penalties of North Dakota Century Code § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a government matter, that this report, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

Report Prepared by: ______________________ **Date:** ______________________
(Please Print or Type)

OFFICE OF STATE TAX COMMISSIONER
UNIT OPERATOR'S SCHEDULE OF PRODUCTION
FROM A SECONDARY OR TERTIARY RECOVERY PROJECT

Schedule T-81
(August 2000)

Year/Month ____________________

Page ____ of ____

Federal I.D. No. ____

Operator's Name ____

Unit Name ____

Well or Lease Name	API Number	Well Code	Barrels Produced

	Block 1 Sum of codes S1-3, EN, HR, HE, IE, FE, & WP	Block 2 Sum of codes NW and W4	Block 3 Sum of code SR or TR	Block 4 Sum of code WW
Page Total By Well Code				
Cumulative Total All Pages				

OFFICE OF STATE TAX COMMISSIONER
OPERATOR'S SCHEDULE OF TAKE IN-KIND OWNERS

Schedule T-82
(August 2000)

Effective Year/Month ________ | ________
(i.e., 1999, 2000) (i.e., 01, 12)

Page ____ of ____

Federal I.D. No. ________________

Operator's Name ________________________________

Property Name ________________________________

Group/API Number ________________

THE OPERATOR MUST PROVIDE (FOR EACH TAKE IN-KIND INTEREST OWNER) THE NAME, ADDRESS, AND PERCENTAGE OF PRODUCTION TAKEN.

Company Name	Mailing Address	Percentage
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
If necessary, attach a separate page to list additional working interest owners.		100.00000%

OFFICE OF STATE TAX COMMISSIONER
VOLUME GAIN/LOSS SCHEDULE

Schedule T-83
(August 2000)

Year/Month ______ | ______
(i.e., 1999, 2000) (i.e., 01, 12)

Page ___ **of** ___

Federal I.D. ____________________

Name ____________________

GROUP NUMBER	STATION	COMPANY STATION I D NUMBER	LOSS CARRIED FORWARD (Block #1)	GAIN/(LOSS) CURRENT MONTH (Block #2)	PERCENT OF N.D. BARRELS (Block #3)	CURRENT MONTH N.D. BARRELS (Block #4)	AVERAGE STATION PRICE (Block #5)	GAIN(LOSS) (Block #6)
33-201-								
33-201-								
33-201-								
33-201-								
33-201-								
33-201-______	SYSTEM TOTAL							

Instructions:

Block # 1: Loss carried forward from previous month. Adjust loss pursuant to N.D. Admin. Code 81-09-02-14.
Block # 2: Total gain/loss for station for the current month.
Block # 3: Percentage of barrels from block #2 produced in North Dakota.
Block # 4: Block #2 multiplied by block #3.
Block # 5: Average sale price per barrel.
Block # 6: Total of block #1 and block #4.

IF THE TOTAL OF BLOCK 6 IS A NEGATIVE NUMBER, CARRY FORWARD TO THE NEXT MONTH AND SUBMIT THIS REPORT.
IF THE TOTAL OF BLOCK 6 IS A POSITIVE NUMBER, TRANSFER THE TOTAL TO THE T-12 OIL REPORT.

Pool Code Listing

POOL	CODE
BAKKEN	51
BAKKEN/THREE FORKS	60
BAKKEN/THREE FORKS/DEVONIAN	18
BIG SNOWY	30
BIRDBEAR	53
BLACK ISLAND	86
CAMBRO/ORDOVICIAN	88
CHARLES	41
DAKOTA	10
DAWSON	3
AWSON BAY/DEVONIAN	20
DAWSON BAY	56
DEADWOOD	4
DEVONIAN	50
DUPEROW	54
EAGLE	12
EAGLE G. F.	11
EAGLE/JUDITH RIVER	13
GUNTON	87
GUNTON/ORDOVICIAN	19
HEATH	31
HEATH/MADISON	96
ICEBOX	85
INTERLAKE	71
KIBBEY	32
LODGEPOLE	43
LODGEPOLE/BAKKEN	46
MADISON	40
MIDALE	44
MINNELUSA	25
MISSION CANYON	42
MISSION CANYON/MADISON	22
ORDOVICIAN	80
PRAIRIE	57
PRECAMBRIAN	1
RED RIVER	83
RED RIVER B	79
ROUGHLOCK	84
SANISH	59
SHERWOOD	45
SILURIAN	70
SOURIS RIVER	55
SPEARFISH	21
SPEARFISH/CHARLES	98
SPEARFISH/MADISON	97
STONEWALL	81
STONY MOUNTAIN	82
THREE FORKS	52
TYLER	26
WINNIPEG	89
WINNIPEGOSIS	58
UNKNOWN	99

NORTH DAKOTA CRUDE OIL POSTING CODES

COMPANY	POSTING	CODE
Amoco Production Company		
	North Dakota Sweet	AM01
	Fryburg Area	AM02
	Texas-West/New Mexico Intermediate	AM03
Coastal States Trading		
	North Dakota Sweet	CS01
Conoco Inc.	Williston Basin Sweet	CO01
EOTT Energy L.P.		
	North Dakota Southern Area Sweet	ET01
	North Dakota Northern Area Sweet	ET02
Koch Petroleum Group L.P.		
	North Dakota Southern Area Sweet	KP01
	North Dakota Northern Area Sweet	KP02
	North Dakota Western Central Sweet	KP03
	Fryburg-Dodge Area	KP04
	North Dakota, SD & E. MT Sweet, All Other Areas	KP05
	North Dakota Sour	KP06
Murphy Oil		
	North Dakota Williston Basin Sweet	MO01
	North Dakota Williston Basin Sour	MO02
Scurlock Permian Corporation		
	North Dakota Williston Basin Sweet	SP01
	North Dakota Williston Basin Sour	SP02
Equiva Trading Company		
	Northern Williston Basin Sweet	EQ01
	Southern Williston Basin Sweet	EQ02
NYMEX		
	NYMEX Sweet	NX01
	NYMEX Sour	NX02
Other:		
	Volume Gain	VOL1
	Condensate	CON1
	Reclaimed Oil	REC1

County Code Listing

COUNTY	**CODE**
Adams	001
Billings	007
Bottineau	009
Bowman	011
Burke	013
Divide	023
Dunn	025
Golden Valley	033
Hettinger	041
McHenry	049
McKenzie	053
McLean	055
Mountrail	061
Renville	075
Slope	087
Stark	089
Ward	101
Williams	105
Unallocated	201

CONTACT INFORMATION

- Direct specific requests and questions to the Commissioner at the following numbers:
  - To order oil and gas forms or a copy of the instruction booklet, call 701.328.3593.
  - For information on electronic filing or electronic funds transfer, call 701.328.3657.
  - To address oil discrepancy notices, call 701.328.2747.
  - For taxpayer assistance, call 701.328.2705.
  - Hearing/speech impaired TTY users call Relay North Dakota 1.800.366.6888, ask for 701.328.3657.
- E-mail: **oiltax@nd.gov**
- Website: **www.nd.gov/tax**
- The laws, rules, forms, instructions, newsletters, fiscal year gas rates, code lists, and other miscellaneous information are available on our website.
- Send written requests and questions to the following address:

  Oil & Gas Tax Section
  Office of State Tax Commissioner
  600 E. Boulevard Ave.
  Bismarck, ND 58505-0599

- For questions regarding state government royalties, contact the North Dakota Land Department at 701.328.2800.
- For questions regarding federal government royalties, contact the North Dakota State Auditor's Office at 701.250.4681.
- For questions regarding the Form 5, Oil Production Reports, or Form 5B, Reports of Gas Production, or for certification procedures for oil extraction tax exemptions or rate reductions, contact the North Dakota Industrial Commission at 701.328.8020.