SENATE TAXATION
DATE 3-31-05
EXHIBIT NO. NO 8
BILL NO. SB 522

Amendments to Senate Bill No. 522
1st Reading Copy

Requested by Senator Jerry Black

For the Senate Taxation Committee

Prepared by Lee Heiman
March 31, 2005 (7:32am)

1. Title, page 1, line 5.
Following: "INCENTIVES"
Insert: ","
Following: "EXEMPTION"
Insert: "AND A REDUCTION FOR RECENT PRODUCTION FROM HORIZONTALLY COMPLETED WELLS,"

2. Page 2, line 14.
Following: line 13
Insert: "(4) "Horizontally completed well" means:
(a) a well with one or more horizontal drain holes; and
(b) any other well classified by the board as a horizontally completed well."
Renumber: subsequent subsections

3. Page 6, line 19.
Following: line 18
Insert: "(c) recent horizontally completed well production 0.5% 14.8%"

4. Page 7, line 28.
Following: line 27
Insert: "(5) The reduced tax rate under subsection (3)(c) on recent production from a horizontally completed well begins following the last day of the calendar month immediately preceding the month in which oil is pumped or flows if the well has been certified as a horizontally completed well to the department by the board. The reduced rate is for the first 18 months of production if the price of each barrel of oil as reported in the Wall Street Journal for intermediate crude oil is $40 or less on the date on which the well was certified as completed by the board. If the price of each barrel of oil is greater than $40 on the date on which the well was certified as completed, the reduced rate is for the first 12 months of production."

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