

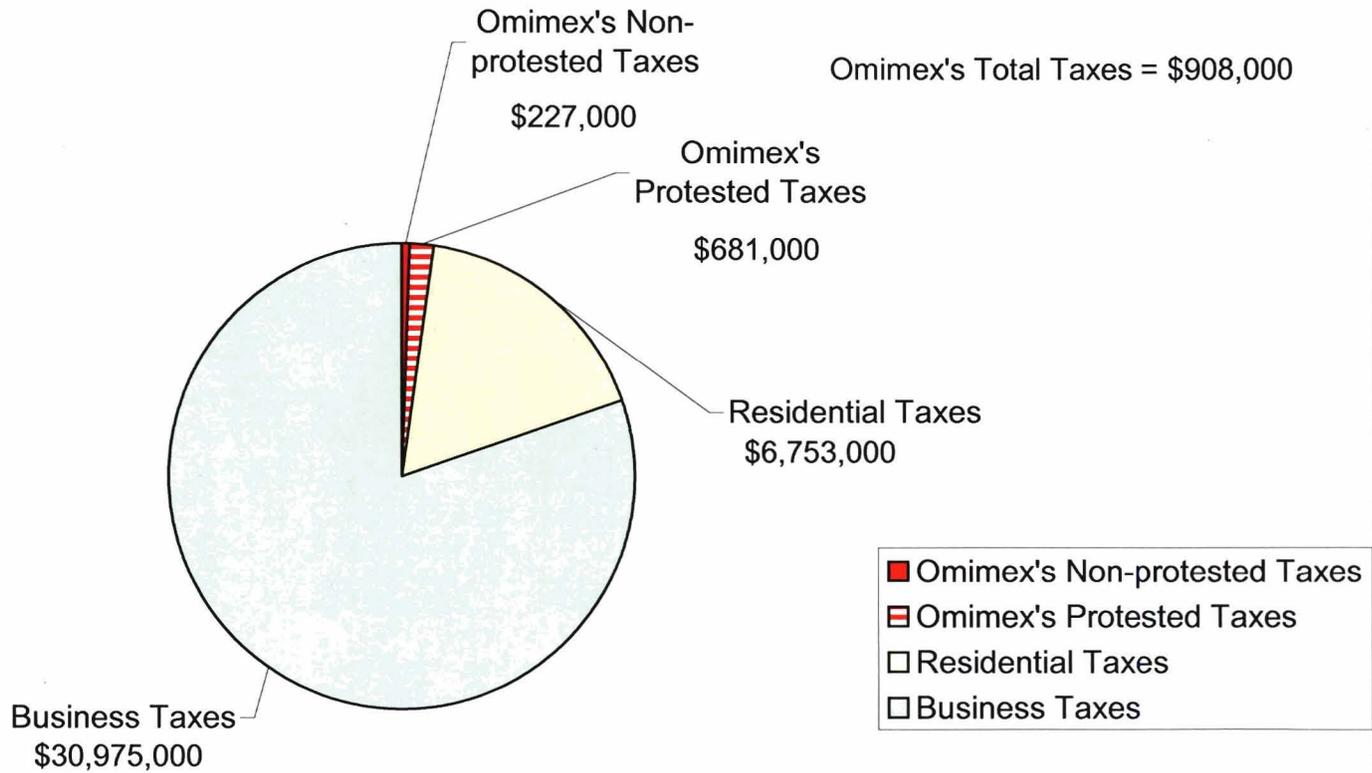


Property Tax Protests: Omimex Canada

REVENUE & TRANSPORTATION INTERIM COMMITTEE
JUNE 17, 2005 MEETING
EXHIBIT 3

Prepared for Revenue and Transportation
Legislative Interim Committee on June 17, 2005

Omimex Canada Protested Taxes in Blaine, Glacier, Liberty, Phillips, Toole and Valley Counties





Dan Bucks
Director

Montana Department of Revenue



Brian Schweitzer
Governor

Status of Large Property Tax Protests

Omimex Canada, LTD, a subsidiary of Omimex Resources, Inc.

<u>Type of Property</u>	Former Montana Power natural gas and oil properties purchased from Encana located in northern Montana; they also acquired properties from Xeno in the Battle Creek area and the NARCO properties in the Bowdoin area of Phillips and Valley Counties.
<u>Counties Affected</u>	Blaine, Glacier, Liberty, Phillips, Toole and Valley Counties
<u>Litigation Issues</u>	Omimex has raised a challenge regarding the department's classification of its properties, the validity of the central assessment administrative rule, and the equalization of similarly situated taxpayers.
<u>Litigation Status</u>	Omimex filed a declaratory judgment action in district court in Lewis & Clark County. The parties filed cross-motions for partial summary judgment on the validity of the central assessment administrative rule, which were fully briefed and heard on April 12, 2005. Extensive discovery has occurred and is scheduled to close on August 2, 2005. A trial is scheduled before District Judge Sherlock beginning the week of December 12, 2005.
<u>Years Under Appeal</u>	2004
<u>Total Market Value of Omimex Property</u>	\$16.6 million
<u>Total Tax Dollars Assessed</u>	\$703,700 in local taxes \$204,700 in state taxes \$908,400 total taxes
<u>Protested Tax Dollars</u>	\$527,800 in local taxes \$153,500 in state taxes \$681,300 total taxes