

**FISCAL NOTE**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$1,850,000)	(\$1,945,000)	(\$1,955,000)
BUDGET RESERVE ACCOUNT	(\$3,700,000)	(\$3,890,000)	(\$3,910,000)

Source of revenue (decrease):

Reduction in severance tax rate on oil and gas production from wells drilled between July 1, 2017 and June 30, 2022 from 6% to 2%;

Assumptions:

The above estimate is based on the following assumptions:

- New well volumes are estimated based on 2016 applications for permit to drill (APDs) for oil and gas wells, with the estimate from the Wyoming Oil and Gas Conservation Commission (WOGCC) that 10% of the applications will result in new wells drilled;
- 2015 production volumes per well from new wells;
- Crude oil and natural gas prices forecasted in Table 3 of the January 2017 CREG forecast;

Please note the estimate presented in the table above reflects the revenue decrease in severance taxes resulting from the proposed severance tax exemption on production from new wells currently anticipated on and after July 1, 2017. It does not include the potential revenue increase in severance taxes or ad valorem taxes that would be collected on production from new wells drilled as a result of the exemption. The number of new wells that would be drilled as a result of this exemption and the related production cannot be determined at this time.

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