



ADMINISTRATIVE RULES OF MONTANA



42.25.1814 INCENTIVE PERIOD

- (1) Incentive periods for new wells, vertical or horizontal, begin following the last day of the calendar month immediately preceding the month in which production begins. This incentive period only begins once, and is dependent upon the first production from the well, regardless of whether the oil and gas begin production on different dates. Therefore, if a well began producing oil on March 1, 2000, and gas began flowing from the same well on August 1, 2000, the incentive period begins on March 1, 2000, only.
- (2) The incentive periods are applicable for qualifying production that occurred during the first 12 months of production of oil or natural gas from a well drilled after December 31, 1998, or the first 18 months of production of oil or natural gas from a horizontally completed well drilled after December 31, 1998. It may also mean a well that has not produced oil or natural gas during the five years immediately preceding the first month of qualifying production. Qualifying production does not include oil production from a horizontally recompleted well.

Authorizing statute(s): 15-36-322, MCA

Implementing statute(s): 15-36-304, MCA

History: NEW, 2000 MAR p. 1347, Eff. 5/26/00.