

North Dakota Industrial Commission
Docket for Hearing
Wednesday, May 20, 2020 @ 9:00 a.m.
N.D. Oil and Gas Division
1000 East Calgary Avenue
Bismarck, North Dakota

Case No. 28471: In the matter of a hearing called on a motion of the Commission to consider how to determine the oil price at which the production of oil in excess of transportation or marketing facilities or in excess of reasonable market demand constitutes waste pursuant to North Dakota Century Code § 38-08-02(19); consider consequences of determining that waste is occurring, and determine what relief may be appropriate and necessary to prevent the waste of North Dakota crude oil production. The Commission will accept and consider written comments on this motion if received no later than 5:00 pm CDT May 15, 2020. Submit written comments to the Oil and Gas Division, 1016 E Calgary Ave, Bismarck, ND 58503-5512 or brkadrmas@nd.gov.

Oil Waste Hearing

The Oil and Gas Division of the Department of Mineral Resources has scheduled a special hearing to address the oil price that constitutes waste pursuant to North Dakota Century Code § 38-08-02(19); the consequences of determining that waste is occurring, and what relief may be appropriate and necessary to prevent the waste of North Dakota crude oil production.

The Commission is seeking testimony on the following:

- market price, production costs, and post-production costs that result in economic waste of North Dakota crude oil
- volatility of North Dakota crude oil price
- crude oil price differential projections
- hedged crude oil production and challenges of getting to market
- oversupply and reduced demand of North Dakota crude oil
- storage capacity for North Dakota crude oil
- North Dakota refinery crude oil demand
- implications of temporary crude oil storage
- prevention of waste of North Dakota crude oil
- protection of correlative rights and jeopardized title to leasehold
- impacts on royalty owners when crude oil price reaches a negative value
- processes and challenges of curtailing or shutting in crude oil production from North Dakota wells
- processes and challenges of protecting the environment, health and safety of the public when curtailing production or shutting in crude oil production from North Dakota wells
- impacts on continuation of business for the entities that service curtailed or shut in North Dakota oil wells
- impacts on continuation of business for the entities that provide transportation, storage, marketing, and refining of North Dakota crude oil
- impacts on continued employment of North Dakota operator's staff

Submit written comments to the Oil and Gas Division, 1016 E Calgary Ave, Bismarck, ND 58503-5512 or brkadrmas@nd.gov before 5 p.m. CDT, Friday, May 15, 2020.

Listen online at <https://www.dmr.nd.gov/oilgas/docketindex.asp>

COVID-19 Hearing Testimony Procedure

- To testify at the hearing, provide your telephone number to brkadrmas@nd.gov before 12 p.m. CDT, Tuesday, May 19, 2020. Submit any documents to be used during your testimony to brkadrmas@nd.gov before 12 p.m. CDT, Tuesday, May 19, 2020. Commission staff will call your number in an order to be determined by the Hearing Examiner.
- 15-minute limit on testimony
- Parties will be asked not to repeat testimony of others