

HOUSE CONCURRENT RESOLUTION NO. 3009

Introduced by

Representatives Froelich, S. Meyer

Senator Heitkamp

1 A concurrent resolution directing the Legislative Council to study the feasibility and desirability  
2 of building a state-owned oil refinery or cooperating with other states to refine oil or providing  
3 incentives to the private sector to construct a refinery or expand current refinery capacity in the  
4 state.

5 **WHEREAS**, North Dakota is the ninth largest oil-producing state in the United States  
6 and produced nearly 98,000 barrels of oil per day in 2005, totaling 35.6 million barrels of oil for  
7 the year; and

8 **WHEREAS**, the state currently is producing 110,000 barrels of oil per day; and

9 **WHEREAS**, all-time production of crude oil in North Dakota amounts to more than  
10 1.5 billion barrels; and

11 **WHEREAS**, at the end of 2005, there were 3,908 wells capable of producing oil and gas  
12 in North Dakota with the average well producing approximately 25 barrels of oil per day; and

13 **WHEREAS**, during 2005, 58.1 billion cubic feet of natural gas was produced in North  
14 Dakota and 50.7 billion cubic feet of natural gas was processed in North Dakota; and

15 **WHEREAS**, the state's oil production increased in 2005, up 4,519,688 barrels from the  
16 previous year; and

17 **WHEREAS**, there were 348 drilling permits issued during 2005, compared to 216 the  
18 previous year; and

19 **WHEREAS**, the Tesoro Refinery at Mandan refines nearly 60,000 barrels of Williston  
20 Basin crude oil per day; and

21 **WHEREAS**, the growing oil production in the Williston Basin has surpassed existing  
22 transportation and refining capacity and crude oil producers in the Williston Basin have seen  
23 their ability to market crude oil restricted and some have experienced significant price  
24 differentials from New York Mercantile Exchange posted crude oil prices as a result of these  
25 transportation constraints; and

1           **WHEREAS**, construction of a state-owned oil refinery would stimulate the use and  
2 production of North Dakota's oil and gas resources; and

3           **WHEREAS**, state ownership of a refinery or incentives provided by the state to the  
4 private sector to build a refinery or expand current refinery capacity in the state would be  
5 beneficial to the state and its oil and gas industry;

6           **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**  
7 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

8           That the Legislative Council study the feasibility and desirability of building a  
9 state-owned oil refinery or cooperating with other states to refine oil or providing incentives to  
10 the private sector to construct a refinery or expand current refinery capacity; and

11          **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and  
12 recommendations, together with any legislation required to implement the recommendations, to  
13 the Sixty-first Legislative Assembly.