

Testimony by Shane Schulz  
On behalf of  
Diamondback Energy, Inc.  
To the  
House Finance and Taxation Committee  
Hearing on Senate Bill 2319  
March 23, 2021

Good morning Mr. Chairman and Committee members. My name is Shane Schulz and I am the Director of Government Affairs and Senior Corporate Counsel for Diamondback Energy, Inc. Just last week Diamondback Energy, Inc. closed on its acquisition of QEP Resources, Inc. Diamondback Energy, Inc. is based in Midland, Texas. We urge your support of Senate Bill 2319.

Diamondback is an oil producer in North Dakota and Texas. We have a large acreage position on the Fort Berthold Indian Reservation. We enjoy working in North Dakota and with the Three Affiliated Tribes on the reservation. We support Senate Bill 2319 with amendments to take the bill language to the original form. The original language would require all wells that produce oil and gas from reservation lands be included in the Tax Agreement, including production from wellheads originating outside reservation boundaries that included wellbores penetrating reservation boundaries. It would also be consistent with the definition of a Horizontal Well.

The MHA Nation entered into a new Tax Agreement during the last legislative session on the State's promise that it would review the issue of border wells extracting reservation oil and gas. This is perfect opportunity to correct this situation that has deprived the MHA Nation of its fair share of tax revenue from these wells. We appreciate your consideration of this matter and look forward to working with you in this effort.

We urge your support of Senate Bill 2319 with amendments to take it to its original form that was introduced in the Senate. By supporting this legislation, you will be supporting members of the Three Affiliated Tribe and helping to provide equity to the current Tax Agreement.

Thank you for your consideration.

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