



**Testimony of Lynn D. Helms  
Director, North Dakota Industrial Commission Department of Mineral Resources  
March 8, 2023  
House Finance and Taxation Committee  
SB 2089**

**The North Dakota Industrial Commission (NDIC) Department of Mineral Resources (DMR) respectfully requests that you amend SB 2089 and give it a DO PASS.**

**The 2021 version of this statute achieved only approximately 10% of the expected results due to the complexity of implementing the Oil Extraction Tax (OET) reduction and the limits placed on applications of the incentive. The amended version you have before you removes the sunset, changes the incentive to a cost share grant program, and expands the application of the incentive to midstream operators and new technologies.**

**North Dakota gas capture has been stable at 94-96% for approximately 18 months. Funding this program at \$15 million during the 2023-2025 biennium is expected to incentive flare mitigation investment at 200 facilities resulting in at least a 1% increase in gas capture rates.**

**Increased gas capture of just 1% statewide would result in 10.79 billion cubic feet and 2,307,988 barrels increased taxable volumes during the biennium. At \$62.50 per barrel oil price and \$0.0905 per thousand cubic feet gross production tax (GPT) additional revenue of \$15,401,453 GPT and OET would result.**

**Thank you for your time and consideration,**

A handwritten signature in blue ink that reads "Lynn D Helms".

Lynn D. Helms, PhD  
*Director*

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