



House Bill 1272

Testimony of John Harju, Vice President for Strategic Partnerships

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House Energy and Natural Resources Committee

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My name is John Harju, and I am the Vice President for Strategic Partnerships at the University of North Dakota's (UND's) Energy & Environmental Research Center (EERC). Thank you for the invitation to provide testimony concerning House Bill 1272.

North Dakota has significant potential to extend the life of both legacy and unconventional (Bakken) oil production to continue a healthy economy for generations to come. North Dakota has been strategic in anticipating technological advancements that strengthen our energy industry, providing stability and growth for our workforce and communities. Creating a regulatory framework to preserve production infrastructure can strategically position North Dakota for enhanced oil recovery that is now in sight as CO₂ projects are being realized.

The size of the prize is substantial, in relation to over 3.6 billion barrels of oil that have already been produced from the Bakken Formation. The EERC has identified over 1 billion barrels of oil that could be produced from over 200 conventional oil fields in North Dakota, using approximately 358 million tons of CO₂. In addition to legacy production, technology advancements that could produce incremental oil from the Bakken may realize even greater impacts. However, to realize these outcomes, a new regulatory

classification is needed to preserve oil and gas production wells while developers are waiting on miscible fluids and attendant infrastructure (e.g., CO₂). Presently, any well that does not produce for 1 year enters an abandonment status, ultimately awaiting permanent plugging and abandonment. House Bill 1272 would help limit how much future investment is required for future development by allowing for secure preservation of wells that are destined for enhanced oil recovery. Over 40,000 wells have been drilled in North Dakota, but less than half are presently active.

Presently, almost 800 Bakken wells have a short- or long-term abandonment status, with about half of these wells permanently plugged. With respect to conventional assets, over 200 Madison wells have abandonment status which still could be preserved. In contrast, over 3500 Madison wells have already been plugged. Creating a regulatory framework for a well status that allows developers to securely preserve a well for future enhanced recovery would provide strategic positioning of North Dakota's assets and encourage investment in our already-discovered mineral resources.