

House Bill 1272

January 27, 2023

Chairman Porter and members of the Committee, my name is Jeff Herman. I am the Regional Manager for Petro-Hunt, L.L.C out of the company's Bismarck office. The Hunt companies have been involved in North Dakota oil and gas exploration and production since the late 1940s and currently operate 701 active wells in the state, 654 of which are horizontal Bakken/Three Forks wells. We employ 150 full-time North Dakota employees in our oil field operations and the gas processing plant that we operate by Killdeer, as well as an additional 50 parties working on a contract basis. I appear before you today in support of House Bill 1272.

Petro-Hunt, LLC builds its oil and gas production base in ND through various ways, including drilling new wells on leasehold we have purchased and buying producing properties from companies that have decided to leave the state or companies that decide to shed some of their properties for one reason or another. To date, we have purchased the production of Chevron/Gulf, Texaco, and SM Oil and Gas when they left the state. When we purchased the interests of SM Oil and Gas in Divide County in 2018, the asset included thirteen Bakken wells with two-mile laterals that had been drilled but not completed (also referred to as as "DUC" wells). We have completed two of those wells to date and plan to complete an additional six of the thirteen wells. We do not plan to complete the remaining five wells as we feel they are too close to other completed wells in the spacing unit. As such, the reservoir is being adequately drained by those existing wells and the approximate \$8 million cost to complete them would be economic waste. However, since these five wells have perfectly good well bores that cost approximately \$3 million each to drill, we do not feel it would be prudent to plug and abandon them at this time. We feel they have potential future use as either enhanced oil recovery (EOR) operation wells or possible replacement wells for one of the offset wells should it go down and be beyond repair for some reason.

Petro-Hunt is a participating partner with the Energy & Environmental Resource Center (EERC) in its ongoing research on the potential of EOR for the ND Bakken. As such, we also hope that as our Bakken/Three Forks wells get to the end of their economic life that we can maintain those with good well bores for potential EOR use in the future. I urge a Do Pass on House Bill 1272. I would be happy to answer any questions.