

Senate Energy and Natural Resources

North Dakota Legislative Council

State Capitol

600 East Boulevard

Bismarck, ND 58505-0360

Dear Senate Energy and Natural Resources Committee Members,

I am writing in support of **SB 2374**. I live in Minot, but own minerals in Williams and Mountrail Counties. The minerals that I and my siblings own were inherited from our parents and grandparents. I have a copy of a lease, signed by my Grandfather in 1948, with Hunt Oil (bought out by Hess Corporation) that states:

*In consideration of the premises the said lessee covenants and agrees:*

- 1. To deliver to the credit of lessor, **free of cost**, in the pipeline to which lessee may connect his wells, the equal one-eighth part of all oil produced and saved from leased premises, or at the lessee's option, pay to the lessor for each one-eighth royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline or into storage tanks.*
- 2. To pay lessor one-eighth, at the market price of the well for the gas soused, from the gas from each well where only gas is found, while the same is being used off the premises, and the lessor to have gas free of cost for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.*
- 3. To pay lessor, for gas produced from any oil well and used off the premises or for the manufacture of of casing-head gas, one eighth, at the market price, at the well for the gas so used, for the time during which said gas shall be used, said payments to be made monthly.*

This lease cannot be changed or re-negotiated, yet companies, such as Hess have taken the liberty of deducting ever increasing owner deductions. The reasons for the deductions are not shared with royalty owners. **In January, the owner deductions, from Hess, equaled 37% of our royalty earnings.** This simply is not acceptable.

I am fully aware that SB 2374 does not specifically address the legality of owner deductions, but it does allow royalty owners, the same benefit as the State of North Dakota, the right to know why owner deductions are being taken and what costs they are covering. I will circle back to the lease my Grandfather signed, stating that no deductions would be taken, but that situation is likely for another day.

My hope and trust lies with my North Dakota legislators to right some wrongs that are occurring. My statements should not be heard as complaints against the Oil and Energy businesses in North Dakota, quite the opposite. Oil and Energy production has changed our lives, mostly for the good. I, along with thousands of mineral owners in our state, simply want to be treated fairly; to receive what Oil companies agreed to pay, through leases signed in the past. We request honesty and transparency from companies doing business in North Dakota.

Sincerely,

Lisa M. Olson

Minot ND

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