



BUDGET SECTION - LEADERSHIP DIVISION

Wednesday, December 10, 2025
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Mike Lefor*, Glenn Bosch, Gretchen Dobervich*, Zachary Ista*, Don Vigesaa, Robin Weisz; Senators Josh Boschee*, Kathy Hogan

Members absent: Senators Brad Bekkedahl, David Hogue, Jerry Klein

Others present: See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Representative Bosch, seconded by Representative Vigesaa, and carried on a voice vote that the minutes of the September 24, 2025, meeting be approved as distributed.

OIL AND GAS DEVELOPMENT UPDATES

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled [Oil and Gas Tax Revenues Monthly Update](#) regarding oil and gas tax revenue collections and allocations for November 2025 and for the biennium to date.

Mr. Nathan Anderson, Director, Department of Mineral Resources, presented information ([Appendix B](#)) regarding current and anticipated oil and gas activity in the state. He noted:

- For the year to date through September 2025, oil production averaged 1.17 million barrels per day, while natural gas production averaged 3.45 billion cubic feet per day.
- The breakeven cost of an oil well has decreased due to efficiencies in drilling and fracturing primarily related to longer horizontal lateral segments and u-shaped wells.
- The department is categorizing the oil well inventory in the Bakken and Three Forks Formations to better reflect productivity potential in the oil field.
- Approximately 52 percent of oil wells in the state are certified as stripper wells with approximately 15 percent of oil production in the state derived from stripper wells.
- Oil prices are anticipated to decline in 2026 due to a global oil production surplus, but oil production in North Dakota is anticipated to remain at approximately 1.1 million barrels per day.

In response to a question from a committee member, Mr. Anderson noted a 30- to 36-inch pipeline would have an estimated capacity to transport 1 to 1.5 billion cubic feet of natural gas which is approximately 30 to 40 percent of the state's average daily production.

In response to a question from a committee member, Mr. Mathiak noted the interim Tax Reform and Relief Advisory Committee is assigned a study of the oil extraction tax exemption for stripper wells.

Chairman Lefor requested the Legislative Council staff gather information regarding North Dakota's gross production tax collections related to natural gas production and the taxation of natural gas production in other states.

TAXABLE SALES AND PURCHASES

Mr. Mathiak presented a memorandum entitled [North Dakota Taxable Sales and Purchases for Calendar Years 2016 through 2024](#) regarding taxable sales and purchases reported by the Tax Department, including a comparison of the 15 counties with the largest taxable sales and purchases.

RETIREMENT SYSTEM ACTUARIAL REPORT

Mr. Derrick Hohbein, Chief Operating and Financial Officer, Public Employees Retirement System, presented information ([Appendix C](#)) regarding the most recent actuarial report for the retirement system, including preliminary estimates of actuarially determined employer contribution rate adjustments. He noted:

- The funded ratio based on the actuarial value of the assets for the main system retirement plan increased from 69.9 percent on July 1, 2024, to 71.3 percent on July 1, 2025.
- The actuarially determined employer contribution for the main system retirement plan decreased from 14.46 percent on July 1, 2024, to 11.81 percent on July 1, 2025.
- An estimated \$50 million would be needed for the 2027-29 biennium for the additional state contribution requirement under the actuarially determined employer contribution for the main system retirement plan based on the July 1, 2025, actuarial valuation.
- The actual amount needed for the additional state contribution requirement for the 2027-29 biennium will be based on the July 1, 2026, actuarial valuation which could vary significantly from the current estimate.

No further business appearing, Chairman Lefor adjourned the meeting at 2:45 p.m.

Adam Mathiak
Senior Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:3