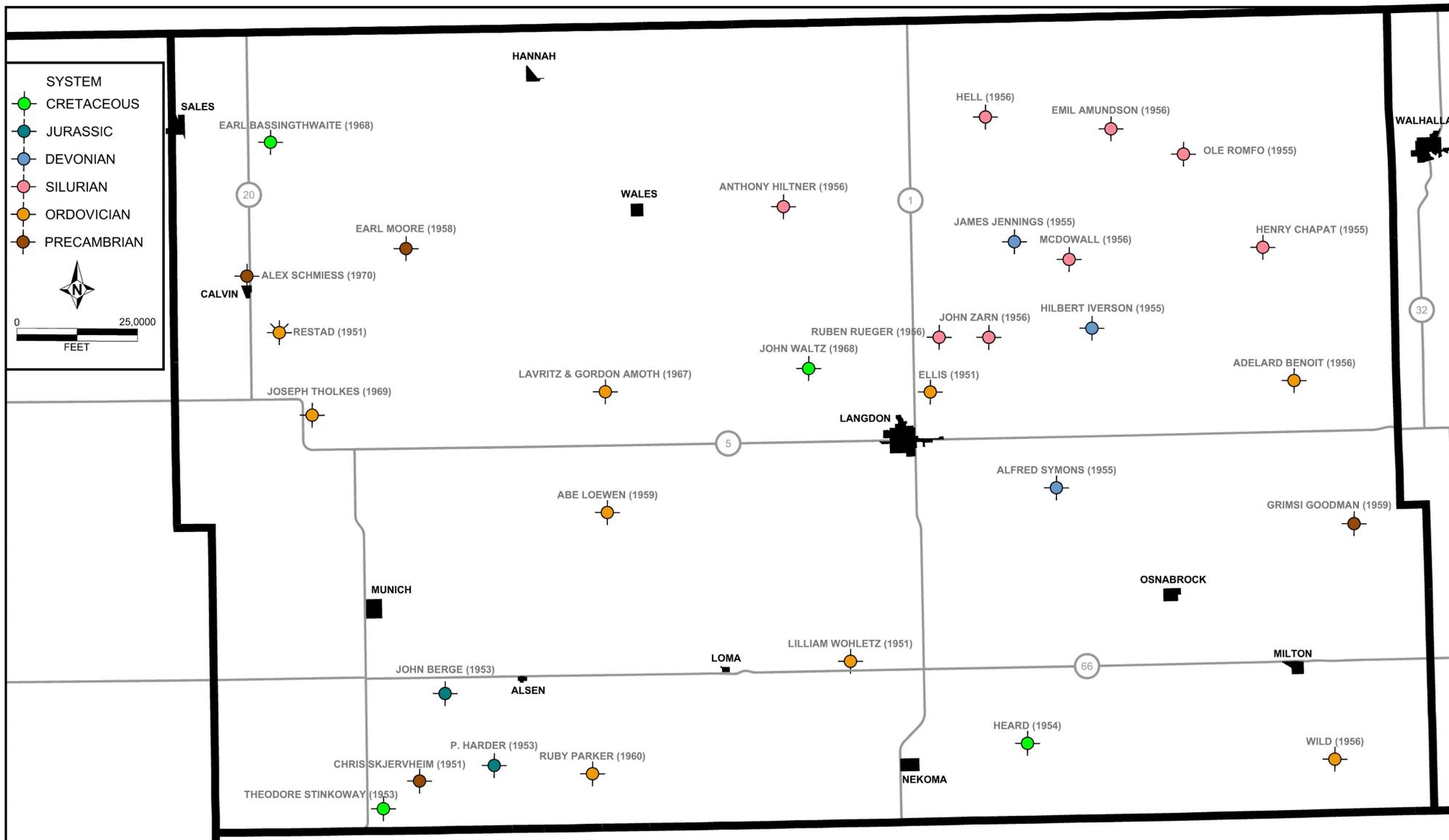


DMR ADDITIONAL INFORMATION

NORTH
Dakota | Mineral Resources
Be Legendary.™

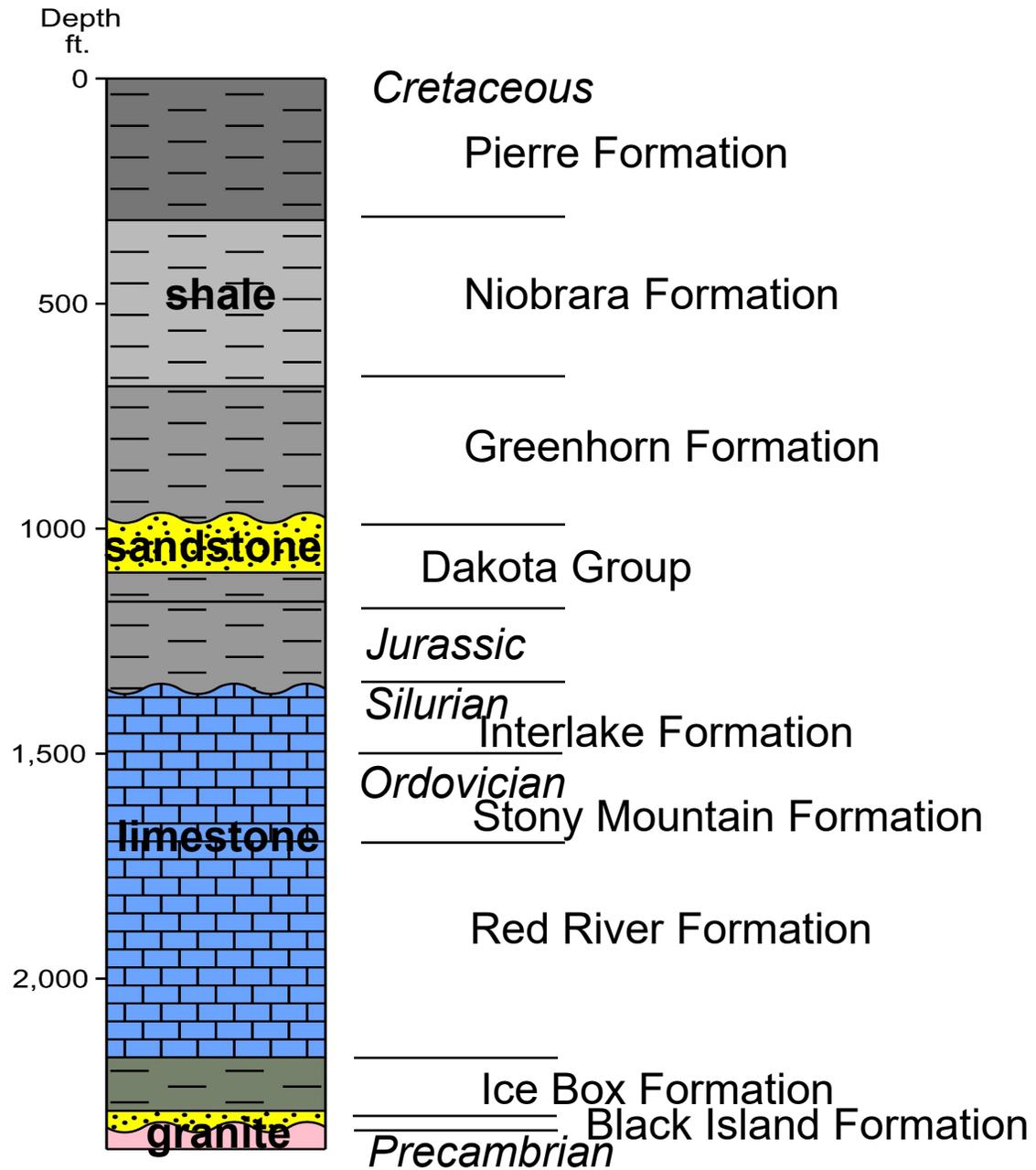
March 20, 2025

CAVALIER COUNTY Oil Wells

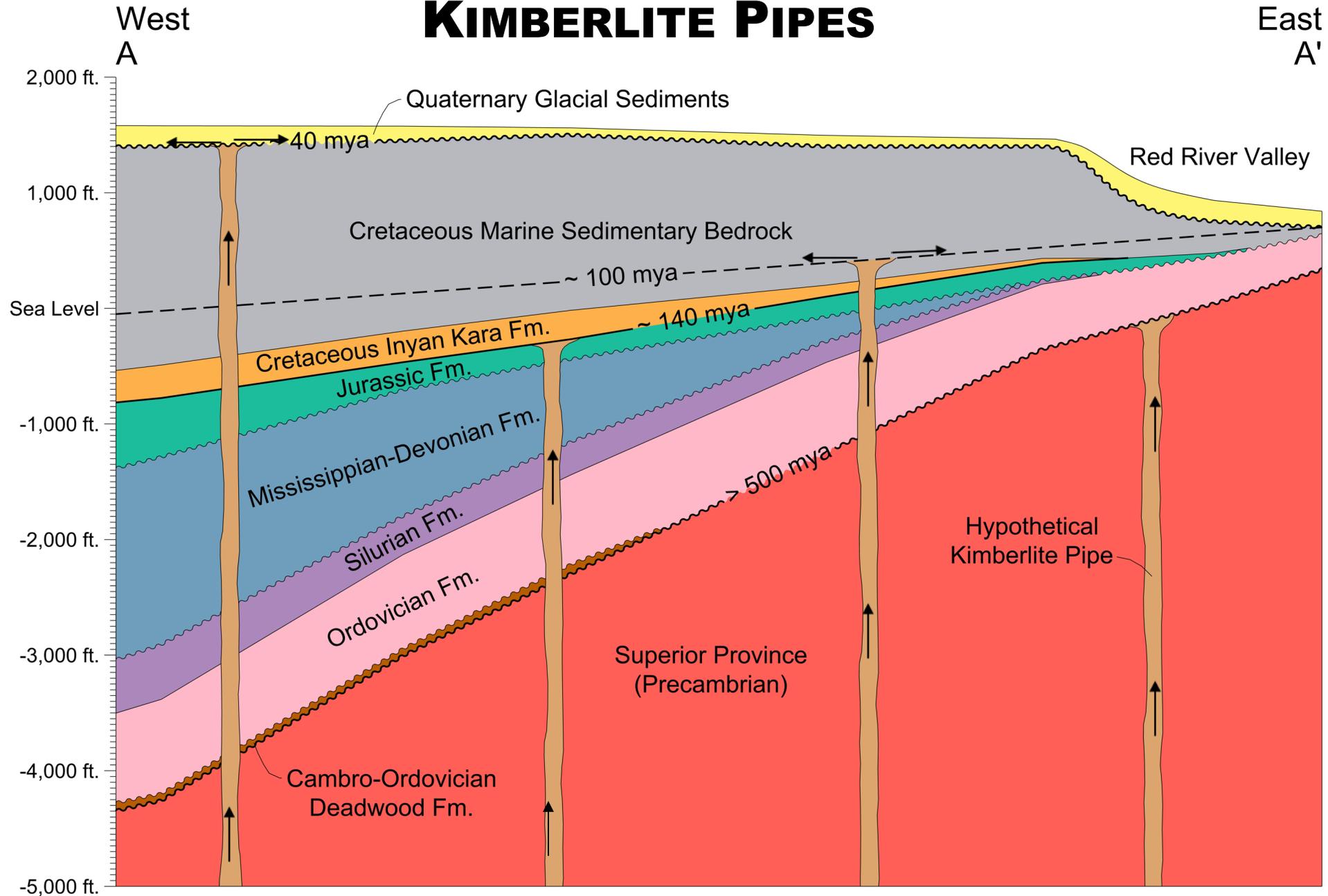


Grimsi Goodman #1

T160N, R57W, sec. 3



KIMBERLITE PIPES



PUBLIC FOSSIL DIGS PROGRAM OVERVIEW

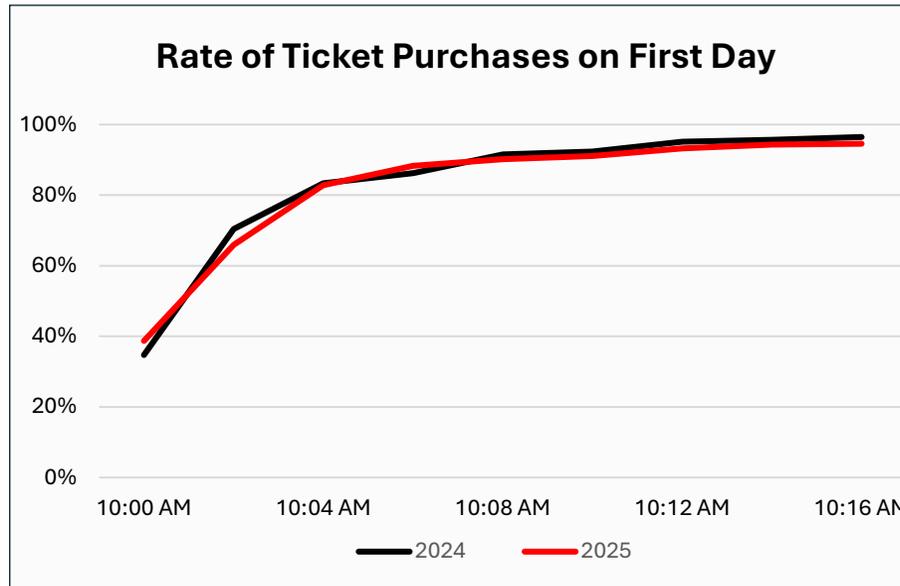
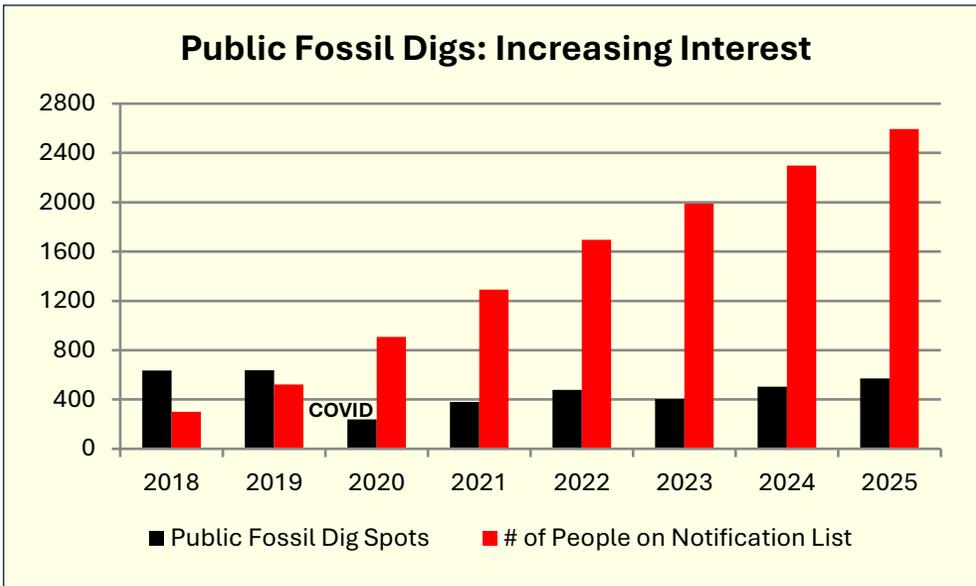
This program started in 2000 in the Pembina Gorge. The program currently provides 600 spots for the public to join paleontologists on a fossil dig each summer. These spots sell out within minutes each year. Our email notification list has over 2,500 subscribers.

Program Finances			
Expenses	Current	Income	Current
Travel Costs	\$24,632		
Supplies/Equipment	\$14,150	Registration Fees	\$42,400
Summer Intern	\$26,423	Donations	\$32,000
Total:	\$65,205	Total:	\$74,400



Economic Impact	
	Current
Staff Salary	\$96,796
Dig Program Costs	\$0
Economic Impact ¹	\$777,600
Total:	\$680,804

¹ \$448 per attendee (\$224/day; budgetyourtrip.com)



Quick Facts

- Participants from 45 States²
- 2,000 Individuals Since 2008
- 1,250 Field Jackets Collected

² Missing Idaho, Mississippi, Rhode Island, Utah, and Vermont

EXPANSION OF THE PUBLIC FOSSIL DIGS PROGRAM

An additional paleontology technician would enable us to expand the program by 40% in 2026.

Program Finances

Expenses	Current	Expanded	Income	Current	Expanded
Travel Costs	\$24,632	\$31,820	Dig Partnership ³	\$0	\$40,000
Supplies/Equipment	\$14,150	\$18,650	Registration Fees	\$42,400	\$74,000
Summer Intern	\$26,423	\$52,444	Donations	\$32,000	\$49,200
Total:	\$65,205	\$102,914	Total:	\$74,400	\$163,200*

³ Partnership with the Sternberg Science Camps Program * Excess funds will be placed in the Fossil Excavation and Restoration Fund



Medora Fossil Dig

Economic Impact

	Current	Expanded
Staff Salary	\$96,796	\$284,699
Dig Program Costs	\$0	\$0
Economic Impact ¹	\$777,600	\$1,088,640
Net Impact:	\$680,804	\$803,941

¹ \$448 per attendee (\$224/day; budgetyourtrip.com)

Can the Expanded Fossil Digs Fund a New FTE?

Ticket Price Increases Needed to Fund Salary of New Position

% of Salary Covered by Dig Fees	Full Day Ticket	Half Day Ticket	State Ongoing Funding Required	State One Time Funding Required
100%	\$180	\$120	\$0	\$9,210
50%	\$100	\$60	\$103,631	\$9,210
33%	\$70	\$45	\$138,866	\$9,210
0%	\$60	\$40	\$207,262	\$9,210

Impacts of Program Expansion

	Current	Expanded
Number of Days	47	70
Number of Spots	600	840

- Ability to work at more sites across ND.
- Expand our outreach capacity in the Fall/Spring.



Pembina Fossil Dig

PRIORITY REQUEST #1 – BUDGET RESTORATION

Fully restore inflation and 3% cuts – additional amount of \$735,000

- DMR was required to make 3% budget cuts on top of budget inflation from both the 2023-25 biennium and the 2025-27 biennium.
- Inflationary increases and 3% reduction resulted in a cut of \$2,235,000 to DMR.
- Inflation has not gone away; vehicle costs and mileage rates as well as ITD and lease costs continue to increase.
- Senate restored \$1,500,000 to the operating budget.
- Remaining deficit of \$735,000 would require a reduction in travel.
- Oil & Gas will have to reduce field inspections by about 35%.
- Well count continues to increase.
- Drilling rig inspections ensure proper construction of wells to protect freshwater zones and proper locations of well bores to protect correlative rights.
- Well inspections ensure compliance with environmental regulations, proper installation of pipelines, timely clean up of spills, proper allocation of oil and gas volumes.
- Geological Survey will have to reduce levels of regulatory inspections and curtail study results.
- There is high demand for rare earth element study results and study into the feasibility of using ND sands as proppant in Bakken and Three Forks completions.
- Identification of landslides protects current and future impacts on infrastructure and pipeline development.
- The public fossil dig program has strong demand from both in state and out of state participants.

Item	Amount	Senate Allowed	Underfunded	Impact
Inflation & Budget Cuts	-\$2,235,000	\$1,500,000	-\$735,000	Reduces inspections and field work by 35%

What does this mean?

Mileage	2,430,000	1,579,500	-850,500	Reduced DMR miles driven
Drilling Rig Inspections	14,400	9,360	-5,040	Reduced drilling rig inspections
O&G Well Inspections	320,000	208,000	-112,000	Reduced well inspections
Survey Field Workdays	681	443	-238	Reduced Survey field workdays

Fully restoring the 3% cuts and inflation amounts will allow DMR to operate at maximum efficiency and continue to provide necessary service levels to public and industry.

PRIORITY REQUEST #2 - PREPARING FOR SUCCESS

CURRENT CHALLENGE:

188 years of knowledge and expertise set to depart DMR by 2028.

Including the recent retirement of former Director Lynn Helms

KEY ROLE SUCCESSION PLANNING:

Role #1 – 6-12 months remaining

Role #2 – 1.5 years remaining

Role #3 – 1.5 to 3 years remaining

Role #4 – 6-12 months remaining

DMR ASK:

Convert open CCUS to Land/Legal
One Additional FTE position:
Deputy Director

*Total additional value of
~\$370,000/biennium*

- **COLLABORATE:** Significant discussion with DMR Leadership team, industry leaders, ND Industrial Commission leadership and the Governor's office. These roles are critical for continued success and organizational alignment.
- **STRATEGY:** Swap the current open CCUS FTE position for the previously requested Land/Legal role.
- **PLAN:** Hire the Land/Legal role ASAP, complete session, conduct deep dive of agency organization & resiliency, complete succession planning, search and hire a Deputy Director.

Purpose ☉ and Qualifications ☉ for Requested Roles:

Deputy Director

- ☉ Enhance agency visibility
- ☉ Strong pulse on public sentiment
- ☉ Deep connection with agencies
- ☉ Presentations & outreach
- ☉ Stand-in for Director as needed for legal collaboration, NDIC & more
- ☉ Assist with legislation
- ☉ Technical background not required
- ☉ External or Internal
- ☉ Industry experience preferred
- ☉ Government expertise a plus

Land/Legal

- ☉ Dedicated position for order processing
- ☉ Expedite order processing time
- ☉ Aligns with succession planning
- ☉ Allows existing staff to focus on their area(s) of expertise
- ☉ Highly technical with engineering, land & geo-science knowledge
- ☉ Internal hire preferred
- ☉ Significant agency & regulatory experience
- ☉ Experience in orders, hearings & cases
- ☉ Deep understanding of spacing units

OTHER DMR OPTIONAL REQUESTS

3. Paleontology viewing laboratory - \$250,000 (capital asset):

DMR has received numerous requests to place a laboratory in the gallery where visitors could watch paleontologists prepare fossil specimens. These viewing laboratories are present in paleontological museum galleries around the World and are always very popular attractions. The funds would hire an architect to draw up the plans, bids will be let, and a contractor and construction firms will have to be contracted to complete the work. New lab equipment will also be purchased to outfit the lab.

4. Reclamation technicians (2 FTE) - \$519,211:

This would bring the total to \$799,925 allowing for one reclamation technician in each district. The reclamation program is critical to provide oversight to ensure the successful completion of restoring sites after properly plugging wells and decommissioning facilities. NDCC Ch 38-08; Ch 38-08.1; Ch 38-22. Regulations require land to be reclaimed as close as practicable to its original condition as it existed before the construction of the well site or other disturbance. One reclamation inspector currently inspects all reclaim projects throughout the entire state and there are currently approximately 2,800 sites in various stages of reclamation. Hiring three reclamation inspectors, one in each district, is necessary ensure reclamation projects are conducted successfully and timely.

5. Paleontology technician position (1 FTE) - \$216,472:

Since 2016, the popularity of the Public Fossil Dig Program has dramatically increased and continues to sell out within minutes each year. A new FTE (paleontology technician) assigned to the Public Fossil Dig Program would enable us to increase the number of available registration spots from 600 to 840 (a 40% increase) increasing the number of tourists traveling within North Dakota as well as bringing in additional out-of-state tourists.

OTHER DMR OPTIONAL REQUESTS

6. Professional development - \$57,000:

This optional request would allow Oil & Gas employees to attend job-related conferences during the 2025-2027 biennium, and would allow tuition reimbursement as allowed by the agency tuition reimbursement policy. The request would enable Survey geologists to attend national or regional scientific meetings presenting on their work. These presentations can encourage other scientists to do an expanded study on a North Dakota topic which will often bring them to North Dakota to do fieldwork or visit our core and sample library.

7. Class VI programming position (1 FTE) - \$225,123:

With North Dakota being the first state to receive Class VI primacy and the only state to have active Class VI injection projects, it is imperative to develop a database to monitor and manage Class VI wells and facilities. The United States Environmental Protection Agency has made available to North Dakota a \$1,930,000 grant to be used for operation of a Class VI primacy program. The Oil and Gas Division intends to apply for this grant and pool a portion of it with other states through the Ground Water Protection Council to develop a Class VI database.

8. Equity adjustment for field inspectors - \$805,800:

This optional request is due to a great need to pay competitive salaries for experienced personnel. There exists a tremendous inequity between the salaries paid by our agency and the salaries paid by the oil and gas industry. The Oil and Gas Division continues to see field inspection turnover and a lack of applicants due to the lower salary amount. This would allow for an estimated \$700/month increase for the 40 field inspector positions in an attempt to bring salaries closer to industry rates to reduce turnover and attract candidates to fill vacant positions. It should be noted that these positions are non-classified and therefore were not included in the HRMS prior session equity calculations.

CARRYOVER REQUESTS

Requesting Authorization:

- The IJA Initial Grant funds received an extension and can continue to be expended through 09/30/2025. For this reason, a carryover of unexpended funds to the 2025-27 biennium is being requested. The remaining available grant amount is \$225,500.

Authorized by Senate:

- The Abandoned Oil Well Conversion to Water Supply program funds can continue to be expended through 12/31/2026. For this reason, a carryover of unexpended funds to the 2025-27 biennium has been authorized in Section 17 of SB 2014. The remaining obligated amount is \$479,800.
- The 65th Legislative Session SB 2134 Ordinary High Water Mark litigation is nearing the end, but it is still possible for expert witness testimony yet to be required. For this reason, a carryover of unexpended funds to the 2025-27 biennium has been authorized in Section 17 of SB 2014. The remaining available amount is \$342,000.