



NORTH DAKOTA SENATE

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Senator Jordan Kannianen

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Testimony on SB 2319

Jordan Kannianen, District 4 Senator

This bill addresses “straddle wells” whose horizontal laterals cross the boundaries of the Fort Berthold Indian Reservation. It would establish that wells drilled outside the boundary of the reservation whose laterals cross into the reservation are part of the existing oil and gas tax agreement between the state and the Three Affiliated Tribes. The Interim Tribal Taxation Issues Committee studied this issue extensively, and there is much data on the subject. Both the Department of Mineral Resources and Mineral Tracker have done long and thorough research, showing the past and projected results of these wells (see Mineral Tracker Report in testimonies).

The location of the well head has always been the method for establishing the taxation of the oil and gas extracted from a well, regardless of the positioning of the horizontal laterals. This bill would change that.

With recent actions by the Biden Administration to ban oil and gas activities on Federal lands, and with the exemption the Three Affiliated Tribes have received on reservation lands, this bill seeks to create additional revenue for both the state and the Tribes by allowing access to Federal minerals off of the reservation through reservation lands. An amendment would place a sunset clause on this change if a new well has not been drilled within two years.

I ask for adoption of the amendment and favorable consideration of the amended bill.

Thank you.